Notes to the Financial Statements

For the financial year ended 31 March 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Singtel is domiciled and incorporated in Singapore and is publicly traded on the Singapore Exchange. The address of its registered office is 31 Exeter Road, Comcentre, Singapore 239732.

The principal activities of the Company consist of the operation and provision of telecommunications systems and services, and investment holding. The principal activities of the significant subsidiaries are disclosed in **Note 42**.

In Singapore, the Group has the rights to provide fixed national and international telecommunications services to 31 March 2037, and public cellular mobile telephone services to 31 March 2032.

In addition, the Group is licensed to offer Internet services and has also obtained frequency spectrum and licence rights to install, operate and maintain mobile communication systems and services including wireless broadband systems and services. The Group also holds the requisite licence to provide nationwide subscription television services.

In Australia, Optus is granted telecommunication licences under the Telecommunications Act 1991. Pursuant to the Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997, the licences continued to have effect after the deregulation of telecommunications in Australia in 1997. The licences do not have a finite term, but are of continuing operation until cancelled under the Telecommunications Act 1997.

These financial statements were authorised and approved for issue in accordance with a Directors' resolution dated 16 May 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("**FRS**") including related interpretations, and the provisions of the Singapore Companies Act. They have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement are disclosed in **Note 3**.

2.1 Basis of Accounting *(Cont'd)*

The accounting policies have been consistently applied by the Group, and are consistent with those used in the previous financial year. The adoption of the new or revised FRS and Interpretations to FRS ("**INT FRS**") which were mandatory from 1 April 2017 had no significant impact on the financial statements of the Group or the Company in the current financial year.

2.2 Group Accounting

The accounting policy for investments in subsidiaries, associates and joint ventures in the Company's financial statements is stated in **Note 2.4**. The Group's accounting policy on goodwill is stated in **Note 2.15.1**.

2.2.1 Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. Control exists when the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the Group the ability to direct activities that significantly affect the entity's returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Subsidiaries are consolidated from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

2.2.2 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recording the investment in associates initially at cost, and recognising the Group's share of the post-acquisition results of associates in the consolidated income statement, and the Group's share of post-acquisition reserve movements in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments in the consolidated statement of financial position.

Where the Group's interest in an associate reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

Where the Group increases its interest in its existing associate and it remains as an associate, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the associate's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in associates include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including loans that are in fact extensions of the Group's investment, the Group does not recognise further losses, unless it has incurred or guaranteed obligations in respect of the associate.

Unrealised gains resulting from transactions with associates are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Joint ventures

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing the control.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

Where the Group's interest in a joint venture reduces as a result of a deemed disposal, any gain or loss arising as a result of the deemed disposal is taken to the consolidated income statement.

Where the Group increases its interest in its existing joint venture and it remains as a joint venture, the incremental cost of investment is added to the existing carrying amount without considering the fair value of the joint venture's identifiable assets and liabilities.

In the consolidated statement of financial position, investments in joint ventures include goodwill on acquisition identified on acquisitions completed on or after 1 April 2001, net of accumulated impairment losses. Goodwill is assessed for impairment as part of the investment in joint ventures.

The Group's interest in its unincorporated joint operations is accounted for by recognising the Group's assets and liabilities from the joint operations, as well as expenses incurred by the Group and the Group's share of income earned from the joint operations, in the consolidated financial statements.

Unrealised gains resulting from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.4 Dividends from associates and joint ventures

Dividends are recognised when the Group's rights to receive payment have been established. Dividends received from an associate or joint venture in excess of the Group's carrying value of the equity accounted investee are recognised as dividend income in the consolidated income statement where there is no legal or constructive obligation to refund the dividend nor is there any commitment to provide financial support to the investee. Equity accounting is then suspended until the investee has made sufficient profits to cover the income previously recognised for the excess cash distributions.

2.2.5 Structured entity

The Trust has been consolidated in the consolidated financial statements under FRS 110, *Consolidated Financial Statements*.

2.2.6 Business combinations

Business combinations are accounted for using the acquisition method on and after 1 April 2010. The consideration for each acquisition is measured at the aggregate of the fair values of assets given, liabilities incurred and equity interests issued by the Group and any contingent consideration arrangement at acquisition date. Acquisition-related costs, other than those associated with the issue of debt or equity, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the consolidated income statement.

For business combinations that are achieved in stages, any existing equity interests in the acquiree entity are re-measured to their fair values at acquisition date and any changes are taken to the consolidated income statement.

2.2.6 Business combinations *(Cont'd)*

Non-controlling interests in subsidiaries represent the equity in subsidiaries which are not attributable, directly or indirectly, to the shareholders of the Company, and are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated statement of financial position. The Group elects for each individual business combination whether non-controlling interests in the acquiree entity are recognised at fair value, or at the non-controlling interests' proportionate share of the fair value of the acquiree entity's identifiable net assets, at the acquisition date.

Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a debit balance.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, any interest retained in the former subsidiary is recorded at fair value with the re-measurement gain or loss recognised in the consolidated income statement.

2.3 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity shares are taken to equity as a deduction, net of tax, from the proceeds.

When the Company purchases its own equity share capital, the consideration paid, including any directly attributable costs, is recognised as 'Treasury Shares' within equity. When the shares are subsequently disposed, the realised gains or losses on disposal of the treasury shares are included in 'Other Reserves' of the Company.

The Trust acquires shares in the Company from the open market for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. Such shares are designated as 'Treasury Shares'. In the consolidated financial statements, the cost of unvested shares, including directly attributable costs, is recognised as 'Treasury Shares' within equity.

Upon vesting of the performance shares, the weighted average costs of the shares delivered to employees, whether held by the Company or the Trust, are transferred to 'Capital Reserve' within equity in the consolidated financial statements.

2.4 Investments in Subsidiaries, Associates and Joint Ventures

In the Company's statement of financial position, investments in subsidiaries, associates and joint ventures, including loans that meet the definition of equity instruments, are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value. On disposal of investments in subsidiaries, associates and joint ventures, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the income statement of the Company.

2.5 Investments

Purchases and sales of investments are recognised on trade date, which is the date that the Group commits to purchase or sell the investment.

2.5.1 Available-for-sale ("AFS") investments

AFS investments are initially recognised at fair value plus directly attributable transaction costs.

They are subsequently stated at fair value at the end of the reporting period, with all resulting gains and losses, including currency translation differences, taken to the 'Fair Value Reserve' within equity. AFS investments for which fair values cannot be reliably determined are stated at cost less accumulated impairment losses.

When AFS investments are sold or impaired, the accumulated fair value adjustments in the 'Fair Value Reserve' are included in the income statement.

A significant or prolonged decline in fair value below the cost is objective evidence of impairment. Impairment loss is computed as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement until the equity investments are disposed.

2.6 Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from changes in fair value are recognised immediately in the income statement, unless they qualify for hedge accounting.

2.6.1 Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, as well as its risk management objectives and strategy for undertaking the hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they are designated.

Fair value hedge

Designated derivative financial instruments that qualify for fair value hedge accounting are initially recognised at fair value on the date that the contract is entered into. Changes in fair value of derivatives are recorded in the income statement together with any changes in the fair value of the hedged items that are attributable to the hedged risks.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

Cash flow hedge

The effective portion of changes in the fair value of the designated derivative financial instruments that qualify as cash flow hedges are recognised in 'Other Comprehensive Income'. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in the 'Hedging Reserve' are transferred to the income statement in the periods when the hedged items affect the income statement.

2.6.1 Hedge accounting *(Cont'd)*

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

Net investment hedge

Changes in the fair value of designated derivatives that qualify as net investment hedges, and which are highly effective, are recognised in 'Other Comprehensive Income' in the consolidated financial statements and the amounts accumulated in 'Currency Translation Reserve' are transferred to the consolidated income statement in the period when the foreign operation is disposed.

In the Company's financial statements, the gain or loss on the financial instrument used to hedge a net investment in a foreign operation of the Group is recognised in the income statement.

The Group has entered into the following derivative financial instruments to hedge its risks, namely -

Cross currency swaps and interest rate swaps are fair value hedges for the interest rate risk and cash flow hedges for the currency risk arising from the Group's issued bonds. The swaps involve the exchange of principal and floating or fixed interest receipts in the foreign currency in which the issued bonds are denominated, for principal and floating or fixed interest payments in the Group's functional currency.

Certain cross currency swaps relate to net investment hedges for the foreign currency exchange risk on the Group's Australia operations.

Forward foreign exchange contracts are cash flow hedges for the Group's exposure to foreign currency exchange risks arising from forecasted or committed expenditure.

2.7 Fair Value Estimation of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

The following methods and assumptions are used to estimate the fair value of each class of financial instrument -

Bank balances, receivables and payables, current borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these instruments.

Quoted and unquoted investments

The fair value of investments traded in active markets is based on the market quoted mid-price (average of offer and bid price) or the mid-price quoted by the market maker at the close of business at the end of the reporting period.

The fair values of unquoted investments are determined by using valuation techniques. These include the use of recent arm's length transactions, reference to the net asset values of the investee companies or discounted cash flow analysis.

2.7 Fair Value Estimation of Financial Instruments *(Cont'd)*

Cross currency and interest rate swaps
The fair value of a cross currency or an interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

Forward foreign currency contracts
The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

Non-current borrowings
For disclosure purposes, the fair values of non-current borrowings which are traded in active markets are based on the market quoted ask price. For other non-current borrowings, the fair values are based on valuations provided by service providers or estimated by discounting the future contractual cash flows using discount rates based on the borrowing rates which the Group expects would be available at the end of the reporting period.

2.8 Financial Guarantee Contracts

Financial guarantees issued by the Company prior to 1 April 2010 are recorded initially at fair values plus transaction costs and amortised in the income statement over the period of the guarantee. Financial guarantees issued by the Company on or after 1 April 2010 are directly charged to the subsidiary as guarantee fees based on fair values.

2.9 Trade and Other Receivables

Trade and other receivables, including loans given by the Company to subsidiaries, associates and joint ventures, are initially recognised at fair values and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the debts. Loss events include financial difficulty or bankruptcy of the debtor, significant delay in payments and breaches of contracts. The impairment loss, measured as the difference between the debt's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate, is recognised in the income statement. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the income statement.

2.10 Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, unhedged borrowings are subsequently stated at amortised cost using the effective interest method.

2.12 Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and fixed deposits with original maturity of mainly three months or less, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

Bank overdrafts are included under borrowings in the statement of financial position.

2.13 Foreign Currencies

2.13.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The statement of financial position and statement of changes in equity of the Company and consolidated financial statements of the Group are presented in Singapore Dollar, which is the functional and presentation currency of the Company and the presentation currency of the Group.

2.13.2 Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at exchange rates ruling at that date. Foreign exchange differences arising from translation are recognised in the income statement.

2.13.3 Translation of foreign operations' financial statements

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates ruling at the end of the reporting period except for share capital and reserves which are translated at historical rates of exchange (see **Note 2.13.4** for translation of goodwill and fair value adjustments).

Income and expenses in the income statement are translated using either the average exchange rates for the month or year, which approximate the exchange rates at the dates of the transactions. All resulting translation differences are taken directly to 'Other Comprehensive Income'.

On loss of control of a subsidiary, loss of significant influence of an associate or loss of joint control of a joint venture, the accumulated translation differences relating to that foreign operation are reclassified from equity to the consolidated income statement as part of gain or loss on disposal.

On partial disposal where there is no loss of control of a subsidiary, the accumulated translation differences relating to the disposal are reclassified to non-controlling interests. For partial disposals of associates or joint ventures, the proportionate accumulated translation differences relating to the disposal are taken to the consolidated income statement.

2.13.4 Translation of goodwill and fair value adjustments

Goodwill and fair value adjustments arising on the acquisition of foreign entities completed on or after 1 April 2005 are treated as assets and liabilities of the foreign entities and are recorded in the functional currencies of the foreign entities and translated at the exchange rates prevailing at the end of the reporting period. However, for acquisitions of foreign entities completed prior to 1 April 2005, goodwill and fair value adjustments continue to be recorded at the exchange rates at the respective dates of the acquisitions.

2.13.5 Net investment in a foreign entity

The exchange differences on loans from the Company to its subsidiaries, associates or joint ventures which form part of the Company's net investment in the subsidiaries, associates or joint ventures are included in 'Currency Translation Reserve' in the consolidated financial statements. On disposal of the foreign entity, the accumulated exchange differences deferred in the 'Currency Translation Reserve' are reclassified to the consolidated income statement in a similar manner as described in **Note 2.13.3.**

2.14 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. No provision is recognised for future operating losses.

The provision for liquidated damages in respect of information technology contracts is made based on management's best estimate of the anticipated liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.15 Intangible Assets

2.15.1 Goodwill

Goodwill on acquisition of subsidiaries on and after 1 April 2010 represents the excess of the consideration transferred, the recognised amount of any non-controlling interest in the acquiree entity and the fair value of any previous equity interest in the acquiree entity over the fair value of the net identifiable assets acquired, including contingent liabilities, at the acquisition date. Such goodwill is recognised separately as intangible asset and stated at cost less accumulated impairment losses.

Acquisitions completed prior to 1 April 2001

Goodwill on acquisitions of subsidiaries, associates and joint ventures completed prior to 1 April 2001 had been adjusted in full against 'Other Reserves' within equity. Such goodwill has not been retrospectively capitalised and amortised.

The Group also had acquisitions where the costs of acquisition were less than the fair value of identifiable net assets acquired. Such differences (negative goodwill) were adjusted against 'Other Reserves' in the year of acquisition.

Goodwill which has been previously taken to 'Other Reserves', is not taken to the consolidated income statement when the entity is disposed of or when the goodwill is impaired.

Acquisitions completed on or after 1 April 2001

Prior to 1 April 2004, goodwill on acquisitions of subsidiaries, associates and joint ventures completed on or after 1 April 2001 was capitalised and amortised on a straight-line basis in the consolidated income statement over its estimated useful life of up to 20 years. In addition, goodwill was assessed for indications of impairment at the end of each reporting period.

Since 1 April 2004, goodwill is no longer amortised but is tested annually for impairment or whenever there is an indication of impairment (see **Note 2.16**). The accumulated amortisation for goodwill as at 1 April 2004 had been eliminated with a corresponding decrease in the capitalised goodwill.

A bargain purchase gain is recognised directly in the consolidated income statement.

Gains or losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of capitalised goodwill relating to the entity sold.

2.15.2 Other intangible assets

Optus' telecommunication licences are not amortised and are reviewed for impairment on an annual basis. Other expenditure on telecommunication and spectrum licences are capitalised and amortised using the straight-line method over their estimated useful lives of 4 to 18 years.

Other intangible assets which are acquired in business combinations are carried at fair values at the date of acquisition, and amortised on a straight-line basis over the period of the expected benefits. Customer relationships or customer contracts, brand, and technology have estimated useful lives of 4 to 10 years. Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

2.16 Impairment of Non-Financial Assets

Goodwill on acquisition of subsidiaries is subject to annual impairment test or is more frequently tested for impairment if events or changes in circumstances indicate that it might be impaired. Goodwill is not amortised (see **Note 2.15.1**).

Other intangible assets of the Group, which have finite useful lives and are subject to amortisation, as well as property, plant and equipment and investments in subsidiaries, associates and joint ventures, are reviewed at the end of each reporting period to determine whether there is any indicator for impairment, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the assets' recoverable amounts are estimated.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition of subsidiaries is not reversed in the subsequent period.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Work-in-progress is stated at cost and associated profits are recognised based on projects-in-progress, less progress payments received and receivable on uncompleted information technology projects. Costs include third party hardware and software costs, direct labour and other direct expenses attributable to the project activity.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

In the consolidated statement of financial position, work-in-progress is included in "Trade and other receivables", and the excess of progress billings over work-in-progress is included in "Trade and other payables" as applicable.

2.18 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, where applicable. The cost of self-constructed assets includes the cost of material, direct labour, capitalised borrowing costs and an appropriate proportion of production overheads.

Depreciation is calculated on a straight-line basis to write off the cost of the property, plant and equipment over its expected useful life. Property, plant and equipment under finance lease is depreciated over the shorter of the lease term or useful life. The estimated useful lives are as follows -

	No. of years
Buildings	5 - 40
Transmission plant and equipment	5 - 25
Switching equipment	3 - 15
Other plant and equipment	2 - 20

Other plant and equipment consist mainly of motor vehicles, office equipment, and furniture and fittings.

No depreciation is provided on freehold land, long-term leasehold land with a remaining lease period of more than 100 years and capital work-in-progress. Leasehold land with a remaining lease period of 100 years or less is depreciated in equal instalments over its remaining lease period.

In respect of capital work-in-progress, assets are depreciated from the month the asset is completed and ready for use.

Costs of computer software which are an integral part of the related hardware are capitalised and recognised as assets and included in property, plant and equipment when it is probable that the costs will generate economic benefits beyond one year and the costs are associated with identifiable software products which can be reliably measured by the Group.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Costs may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent expenditure is included in the carrying amount of an asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying value is taken to the income statement.

2.19 Leases

2.19.1 Finance leases

Finance leases are those leasing agreements which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items. Assets financed under such leases are treated as if they had been purchased outright at the lower of fair value and present value of the minimum lease payments and the corresponding leasing commitments are shown as obligations to the lessors.

2.19.1 Finance leases *(Cont'd)*

Lease payments are treated as consisting of capital repayments and interest elements. Interest is charged to the income statement over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

2.19.2 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as expenses in the income statement on a straight-line basis over the period of the lease.

2.19.3 Sales of network capacity

Sales of network capacity are accounted as finance leases where -

(i) the purchaser's right of use is exclusive and irrevocable;
(ii) the asset is specific and separable;
(iii) the terms of the contract are for the major part of the asset's economic useful life;
(iv) the attributable costs or carrying value can be measured reliably; and
(v) no significant risks are retained by the Group.

Sales of network capacity that do not meet the above criteria are accounted for as operating leases.

2.19.4 Gains or losses from sale and leaseback

Gains on sale and leaseback transactions resulting in finance leases are deferred and amortised over the lease term on a straight-line basis, while losses are recognised immediately in the income statement.

Gains and losses on sale and leaseback transactions established at fair value which resulted in operating leases are recognised immediately in the income statement.

2.19.5 Capacity swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

2.20 Revenue Recognition

Revenue for the Group is recognised based on fair value for sale of goods and services rendered, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

Revenue from subscription contract is recognised ratably over the service, maintenance or subscription period.

For mobile device repayment plans, the consideration is allocated to its separate revenue-generating activities based on the best estimate of the price of each activity in the arrangement. Handset sales are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership to the customer which generally coincides with delivery and acceptance of the equipment sold.

2.20 Revenue Recognition *(Cont'd)*

Revenues for system and network installation and integration projects are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenues from the rendering of services which involve the procurement of computer equipment, third party software for installation and information technology professional services are recognised upon full completion of the projects.

Revenue from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenue from digital advertising services and solutions is recognised when advertising services are delivered, and when digital advertising impressions are delivered or click-throughs occur. Revenue from selling advertising space is recognised when the advertising space is filled and sold to customers.

Dividend income is recorded gross in the income statement when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

2.21 Employees' Benefits

2.21.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund. The Group has no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group's contributions to the defined contribution plans are recognised in the income statement as expenses in the financial year to which they relate.

2.21.2 Employees' leave entitlements

Employees' entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability of annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

2.21.3 Share-based compensation

Performance shares and share options

The performance share plans of the Group are accounted for either as equity-settled share-based payments or cash-settled share-based payments. The share option plans of the subsidiaries are accounted as equity-settled share-based payments.

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. The share-based payment expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that the participants are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity or liability for equity-settled and cash-settled share-based payments respectively.

The dilutive effects of the Singtel performance share plans are reflected as additional share dilution in the computation of diluted earnings per share.

2.22 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred, except to the extent that they are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

2.23 Customer Acquisition and Retention Costs

Customer acquisition and retention costs, including related sales and promotion expenses and activation commissions, are expensed as incurred.

2.24 Pre-incorporation Expenses

Pre-incorporation expenses are expensed as incurred.

2.25 Government Grants

Grants in recognition of specific expenses are recognised in the income statement over the periods necessary to match them with the relevant expenses they are intended to compensate. Grants related to depreciable assets are deferred and recognised in the income statement over the period in which such assets are depreciated and used in the projects subsidised by the grants.

2.26 Exceptional Items

Exceptional items refer to items of income or expense within the consolidated income statement from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial year.

2.27 Income Tax

Income tax expense comprises current and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

Deferred taxation is provided in full, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/ loss, it is not recognised. Deferred income tax is also not recognised for goodwill which is not deductible for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates (and tax laws) enacted or substantively enacted in countries where the Company and its subsidiaries operate by, at the end of the reporting period.

2.27 Income Tax *(Cont'd)*

Deferred tax liabilities are provided on all taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unutilised tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused losses can be utilised.

At the end of each reporting period, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable profit will be available to allow the benefit of all or part of the deferred tax asset to be utilised.

Current and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or different period, directly to equity.

2.28 Dividends

Interim and special dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.29 Segment Reporting

An operating segment is identified as the component of the Group that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

2.30 Non-current Assets (or Disposal Groups) Held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through sale transactions rather than through continuing use.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

FRS 1, *Presentation Of Financial Statements*, requires disclosure of the judgements management has made in the process of applying the accounting policies that have the most impact on the amounts recognised in the financial statements. It also requires disclosure about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Notes to the Financial Statements

For the financial year ended 31 March 2018

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

The following presents a summary of the critical accounting estimates and judgements -

3.1 Impairment Reviews

The accounting policies for impairment of non-financial assets are stated in **Note 2.16.**

During an impairment review, the Group assesses whether the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is defined as the higher of an asset's or cash generating unit's fair value less costs to sell and its value-in-use. In making this judgement, the Group evaluates the value-in-use which is supported by the net present value of future cash flows derived from such assets or cash-generating units using cash flow projections which have been discounted at an appropriate rate. Forecasts of future cash flows are based on the Group's estimates using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Goodwill recorded by associates and joint ventures is required to be tested for impairment at least annually. The impairment assessment requires the exercise of significant judgement about future market conditions, including growth rates and discount rates applicable in a number of markets where the associates and joint ventures operate.

The assumptions used by management to determine the value-in-use calculations of goodwill on acquisition of subsidiaries are disclosed in **Note 23**. The carrying values of associates and joint ventures including goodwill capitalised are stated in **Note 21** and **Note 22** respectively.

3.2 Impairment of Trade Receivables

The Group assesses at the end of each reporting period whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated experience.

3.3 Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

3.4 Taxation

3.4.1 Deferred tax asset

The Group reviews the carrying amount of deferred tax asset at the end of each reporting period. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

3.4.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business, including the tax matter disclosed in **Note 38(b)**. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.5 Fair values of derivative financial instruments

The Group uses valuation techniques to determine the fair values of financial instruments. The valuation techniques used for different financial instruments are selected to reflect how the market would be expected to price the instruments, using inputs that reasonably reflect the risk-return factors inherent in the instruments. Depending upon the characteristics of the financial instruments, observable market factors are available for use in most valuations, while others involve a greater degree of judgment and estimation.

3.6 Share-based Payments

Equity-settled share-based payments are measured at fair value at the date of grant, whereas cash-settled share-based payments are measured at current fair value at the end of each reporting period. In addition, the Group revises the estimated number of equity instruments that participants are expected to receive based on non-market vesting conditions at the end of each reporting period.

The assumptions of the valuation model used to determine fair values are set out in **Note 5.3**.

3.7 Contingent Liabilities

The Group consults with its legal counsel on matters related to litigation, and other experts both within and outside the Group with respect to matters in the ordinary course of business. As at 31 March 2018, the Group was involved in various legal proceedings where it has been vigorously defending its claims as disclosed in **Note 38**.

The Group also reports significant contingent liabilities of its associates and joint ventures. Assessment on whether the risk of loss is remote, possible or probable requires significant judgement given the complexities involved. The significant contingent liabilities of the Group's associate and joint ventures have been disclosed in **Note 39**.

3.8 Purchase Price Allocation

The Group completed the acquisition of Turn in April 2017. Purchase price allocation exercise requires a significant amount of management estimation, particularly in relation to the identification and valuation of intangible assets and assignment of their useful lives. The Group's disclosure of the above is set out in **Note 3(a)** to the Consolidated Statement of Cash Flows.

4. OPERATING REVENUE

	Group 2018 S$ Mil	Group 2017 S$ Mil
Mobile communications [1]	**5,955.2**	5,926.5
Data and Internet [1]	**3,427.3**	3,319.0
Infocomm Technology [1]	**3,067.6**	2,948.0
Sale of equipment	**2,031.9**	1,903.8
Digital businesses	**1,113.1**	565.6
National telephone	**963.2**	1,062.4
International telephone	**421.1**	479.7
Pay television [1]	**369.4**	356.1
Others [1]	**183.0**	150.3
Operating revenue	**17,531.8**	16,711.4
Operating revenue	**17,531.8**	16,711.4
Other income	**258.8**	215.3
Interest and dividend income (see **Note 10**)	**49.2**	99.7
Total revenue	**17,839.8**	17,026.4

Note:
[1] Comparatives have been reclassified to be consistent with current year.

5. OPERATING EXPENSES

	Group 2018 S$ Mil	Group 2017 S$ Mil
Selling and administrative costs [1]	**2,922.5**	2,921.9
Staff costs	**2,652.4**	2,523.4
Other cost of sales	**2,613.3**	2,115.4
Cost of equipment sold	**2,529.6**	2,415.9
Traffic expenses	**1,615.8**	1,575.6
Repairs and maintenance	**367.9**	376.8
	12,701.5	11,929.0

Note:
[1] Includes mobile and broadband subscriber acquisition and retention costs, supplies and services, as well as rentals of properties and mobile base stations.

5.1 Staff Costs

	Group	
	2018 S$ Mil	2017 S$ Mil
Staff costs included the following -		
Contributions to defined contribution plans	**252.3**	233.9
Performance share and share option expenses		
- equity-settled arrangements	**32.7**	33.9
- cash-settled arrangements	**1.9**	2.0

5.2 Key Management Personnel Compensation

	Group	
	2018 S$ Mil	2017 S$ Mil
Key management personnel compensation (1)		
Executive director (2)	**6.1**	6.6
Other key management personnel (3)	**22.4**	20.8
	28.5	27.4
Directors' remuneration (4)	**2.5**	2.6
	31.0	30.0

Notes:

(1) Comprise base salary, bonus, contributions to defined contribution plans and other benefits, but exclude performance share and share option expenses disclosed below.

(2) The Group Chief Executive Officer, an executive director of Singtel, was awarded up to 1,712,538 (2017: 1,895,988) ordinary shares of Singtel pursuant to Singtel performance share plans and a one-off Special Share Award ("**SSA**"), subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$3.3 million (2017: S$2.4 million).

(3) The other key management personnel of the Group comprise the Chief Executive Officers of Consumer Singapore, Consumer Australia, Group Enterprise, Group Digital Life and International Group, as well as the Group Chief Corporate Officer, Group Chief Financial Officer, Group Chief Human Resources Officer, Group Chief Information Officer and Group Chief Technology Officer.

The other key management personnel were awarded up to 4,391,498 (2017: 4,331,295) ordinary shares of Singtel pursuant to Singtel performance share plans and a one-off SSA, subject to certain performance criteria including other terms and conditions being met. The performance share expense computed in accordance with FRS 102, *Share-based Payment*, was S$8.5 million (2017: S$5.6 million).

(4) Directors' remuneration comprises the following:

(i) Directors' fees of S$2.5 million (2017: S$2.5 million), including fees paid to certain directors in their capacities as members of the Optus Advisory Committee and the Technology Advisory Panel, and as director of Singtel Innov8 Pte. Ltd.

(ii) Car-related benefits of Chairman of S$20,446 (2017: S$21,611).

In addition to the directors' remuneration, Venkataraman Vishnampet Ganesan, a non-executive director of Singtel, was awarded 750,718 share options pursuant to the Amobee Long-Term Incentive Plan in 2016, subject to certain terms and conditions being met. No similar share option was awarded during the financial year (2017: Nil). The share option expense computed in accordance with FRS 102, *Share-based Payment*, was S$21,607 (2017: S$64,418).

5.3 Share-based Payments

5.3.1 Performance share plans

With effect from 1 April 2012, Restricted Share Awards and Performance Share Awards are given to selected employees of Singtel and its subsidiaries. The awards are conditional upon the achievement of predetermined performance targets over the performance period, which is two years for the Restricted Share Awards and three years for the Performance Share Awards. Both awards are generally settled by delivery of Singtel shares, with the awards for certain senior executives to be settled by Singtel shares or cash, at the option of the recipient.

Additionally, early vesting of the performance shares can also occur under special circumstances approved by the Executive Resource and Compensation Committee such as retirement, redundancy, illness and death while in employment.

Though the performance shares are awarded by Singtel, the respective subsidiaries bear all costs and expenses in any way arising out of, or connected with, the grant and vesting of the awards to their employees.

The fair values of the performance shares are estimated using a Monte-Carlo simulation methodology at the measurement dates, which are the grant value dates for equity-settled awards, and at the end of the reporting period for cash-settled awards.

Restricted Share Awards

The movements of the number of performance shares for the Restricted Share Awards during the financial year were as follows –

Group and Company 2018	Outstanding as at 1 April 2017 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2018 '000
Date of grant						
FY2015 [1]						
23 June 2014	**2,707**	**-**	**-**	**(2,690)**	**(17)**	**-**
September 2014 to March 2015	**9**	**-**	**-**	**(9)**	**-**	**-**
FY2016						
17 June 2015	**3,679**	**-**	**1,094**	**(2,406)**	**(180)**	**2,187**
September 2015 to March 2016	**30**	**-**	**10**	**(20)**	**-**	**20**
FY2017						
20 June 2016	**5,319**	**-**	**1**	**(67)**	**(342)**	**4,911**
September 2016 to March 2017	**87**	**-**	**-**	**(67)**	**-**	**20**
FY2018						
19 June 2017	**-**	**7,701**	**-**	**(15)**	**(393)**	**7,293**
September 2017 to March 2018	**-**	**314**	**-**	**-**	**-**	**314**
	11,831	**8,015**	**1,105**	**(5,274)**	**(932)**	**14,745**

Note:
[1] "FY2015" denotes financial year ended 31 March 2015.

5.3.1 Performance share plans *(Cont'd)*

Group and Company 2017	Outstanding as at 1 April 2016 '000	Granted '000	Awarded from targets exceeded '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2017 '000
Date of grant						
FY2014						
21 June 2013	2,482	-	-	(2,441)	(41)	-
September 2013 to March 2014	8	-	-	(5)	(3)	-
FY2015						
23 June 2014	4,514	-	1,328	(2,921)	(214)	2,707
September 2014 to March 2015	14	-	4	(9)	-	9
FY2016						
17 June 2015	3,993	-	2	(54)	(262)	3,679
September 2015 to March 2016	30	-	-	-	-	30
FY2017						
20 June 2016	-	5,541	-	(8)	(214)	5,319
September 2016 to March 2017	-	87	-	-	-	87
	11,041	5,628	1,334	(5,438)	(734)	11,831

The fair values of the Restricted Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at grant date	S$3.79	S$3.46	S$3.34
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.8%	15.6%	14.3%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2015	1 June 2016	7 June 2017

"NA" denotes Not Applicable.

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2018	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at 31 March 2018	S$3.37	S$3.28	S$3.10
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018

Cash-settled 2017	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at 31 March 2017	S$3.89	S$3.83	S$3.65
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.5%	14.5%	14.5%
MSCI Asia Pacific Telco Index	11.0%	11.0%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2017		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2017	31 March 2017	31 March 2017

5.3.1 Performance share plans *(Cont'd)*

Performance Share Awards

The movements of the number of performance shares for the Performance Share Awards during the financial year were as follows –

Group and Company 2018	Outstanding as at 1 April 2017 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2018 '000
Date of grant					
FY2015					
23 June 2014	**7,947**	**-**	**(1,285)**	**(6,662)**	**-**
September 2014 to March 2015	**21**	**-**	**(3)**	**(18)**	**-**
FY2016					
17 June 2015	**8,976**	**-**	**-**	**(447)**	**8,529**
September 2015 to March 2016	**157**	**-**	**-**	**-**	**157**
FY2017					
20 June 2016	**9,068**	**-**	**-**	**(417)**	**8,651**
September 2016 to March 2017	**91**	**-**	**-**	**-**	**91**
FY2018					
19 June 2017	**-**	**4,804**	**-**	**(75)**	**4,729**
September 2017 to March 2018	**-**	**156**	**-**	**-**	**156**
	26,260	**4,960**	**(1,288)**	**(7,619)**	**22,313**

Group and Company 2017	Outstanding as at 1 April 2016 '000	Granted '000	Vested '000	Cancelled '000	Outstanding as at 31 March 2017 '000
Date of grant					
FY2014					
21 June 2013	8,313	-	(1,215)	(7,098)	-
September 2013 to March 2014	15	-	(2)	(13)	-
FY2015					
23 June 2014	8,169	-	-	(222)	7,947
September 2014 to March 2015	21	-	-	-	21
FY2016					
17 June 2015	9,221	-	-	(245)	8,976
September 2015 to March 2016	157	-	-	-	157
FY2017					
20 June 2016	-	9,133	-	(65)	9,068
September 2016 to March 2017	-	91	-	-	91
	25,896	9,224	(1,217)	(7,643)	26,260

5.3.1 Performance share plans *(Cont'd)*

The fair values of the Performance Share Awards and the assumptions of the fair value model for the grants were as follows –

Equity-settled	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at grant date	S$1.17	S$1.81	S$1.28
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.8%	15.6%	14.3%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding May 2015	36 months historical volatility preceding May 2016	36 months historical volatility preceding May 2017
Risk free interest rates			
Yield of Singapore Government Securities on	4 June 2015	1 June 2016	7 June 2017

Cash-settled 2018	Date of grant 17 June 2015	20 June 2016	19 June 2017
Fair value at 31 March 2018	-	S$0.91	S$0.80
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.4%	14.4%	14.4%
MSCI Asia Pacific Telco Index	10.2%	NA	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2018		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2018	31 March 2018	31 March 2018

5.3.1 Performance share plans *(Cont'd)*

Cash-settled 2017	Date of grant 23 June 2014	17 June 2015	20 June 2016
Fair value at 31 March 2017	S$0.63	S$0.53	S$2.03
Assumptions under Monte-Carlo Model			
Expected volatility			
Singtel	14.5%	14.5%	14.5%
MSCI Asia Pacific Telco Index	11.0%	11.0%	NA
MSCI Asia Pacific Telco Component Stocks	36 months historical volatility preceding March 2017		
Risk free interest rates			
Yield of Singapore Government Securities on	31 March 2017	31 March 2017	31 March 2017

5.3.2 Amobee's share options - equity-settled arrangement

In April 2015, Amobee Group Pte. Ltd. ("**Amobee**"), a wholly-owned subsidiary of the Company, implemented the 2015 Long-Term Incentive Plan ("**Amobee LTI Plan**"). Selected employees (including executive directors) and non-executive directors of Amobee group are granted options to purchase ordinary shares of Amobee.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of Amobee on the date of grant. Options for employees are scheduled to be fully vested in either 3 years or 3.5 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant/ repriced date US$
For employees		
13 April 2015	0.79	0.224 to 0.261
14 October 2015	0.54 to 0.79	0.217 to 0.287
20 January 2016, 10 May 2016, 24 August 2016, 25 January 2017	0.54	0.287
23 June 2016	0.54	0.273 to 0.287
19 July 2017, 18 August 2017, 12 September 2017, 25 January 2018	0.54	0.260 to 0.268
For non-executive directors		
14 October 2015	0.54	0.203

The terms of the options granted to employees and non-executive directors are 10 years and 5 years from the date of grant respectively.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 43.8 million of ordinary shares in Amobee have been granted to the employees and non-executive directors of Amobee and/or its subsidiaries. As at 31 March 2018, options in respect of an aggregate of 63.1 million of ordinary shares in Amobee are outstanding.

5.3.3 Trustwave's share options - equity-settled arrangement

In December 2015, Trustwave Holdings, Inc. ("**Trustwave**"), a 98%-owned subsidiary of the Company, implemented the Stock Option Incentive Plan ("**Trustwave ESOP**"). Selected employees (including executive directors) and non-executive directors of Trustwave and/or its subsidiaries are granted options to purchase common stock of Trustwave.

Options are exercisable at a price no less than 100% of the fair value of the common stock of Trustwave on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant date US$
1 December 2015	16.79	6.57
22 January 2016	16.79	6.28
19 May 2016	16.79	6.16 to 6.27
12 September 2016	16.79	6.03 to 6.10
20 January 2017	16.24	5.93 to 6.57
15 March 2018	15.37	6.71 to 6.92

The term of each option granted is 10 years from the date of grant.

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 0.4 million of common stock in Trustwave have been granted. As at 31 March 2018, options in respect of an aggregate of 2.4 million of common stock in Trustwave are outstanding.

5.3.4 HOOQ's share options - equity-settled arrangement

In December 2015, HOOQ Digital Pte. Ltd. ("**HOOQ**"), a 65%-owned subsidiary of the Company, implemented the HOOQ Digital Employee Share Option Scheme (the "**Scheme**"). Selected employees (including executive directors) of HOOQ and/or its subsidiaries are granted options to purchase ordinary shares of HOOQ.

Options are exercisable at a price no less than 100% of the fair value of the ordinary shares of HOOQ on the date of grant, and are scheduled to be fully vested 4 years from the vesting commencement date.

The grant dates, exercise prices and fair values of the share options were as follows –

Equity-settled Date of grant	Exercise price US$	Fair value at grant date US$
16 May 2016	0.07	0.0445 to 0.0463
24 April 2017	0.07	0.0301 to 0.0315
2 May 2017	0.07	0.0292 to 0.0313
31 July 2017	0.07	0.0313 to 0.0315
8 September 2017	0.07	0.0296 to 0.0298
23 October 2017	0.07	0.0309 to 0.0320
10 January 2018	0.07	0.0316 to 0.0318

The term of each option granted is 10 years from the date of grant.

5.3.4 HOOQ's share options - equity-settled arrangement *(Cont'd)*

The fair values for the share options granted were estimated using the Black-Scholes pricing model.

From 1 April 2017 to 31 March 2018, options in respect of an aggregate of 14.0 million of ordinary shares in HOOQ have been granted. As at 31 March 2018, options in respect of an aggregate of 42.8 million of ordinary shares in HOOQ are outstanding.

5.4 Structured Entity

The Trust's purpose is to purchase the Company's shares from the open market for delivery to the recipients upon vesting of the share-based payments awards.

As at the end of the reporting period, the Trust held the following assets -

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Cost of Singtel shares, net of vesting	**29.1**	29.0	**27.2**	27.0
Cash at bank	**0.6**	0.4	**0.6**	0.4
	29.7	29.4	**27.8**	27.4

The details of Singtel shares held by the Trust were as follows –

	Number of shares		Amount	
Group	**2018 '000**	**2017 '000**	**2018 S$ Mil**	**2017 S$ Mil**
Balance as at 1 April	**7,404**	6,924	**29.0**	26.8
Purchase of Singtel shares	**4,255**	4,622	**15.9**	18.2
Vesting of shares	**(4,046)**	(4,142)	**(15.8)**	(16.0)
Balance as at 31 March	**7,613**	7,404	**29.1**	29.0

Upon consolidation of the Trust in the consolidated financial statements, the weighted average cost of vested Singtel shares is taken to 'Capital Reserve' whereas the weighted average cost of unvested shares is taken to 'Treasury Shares' within equity. See **Note 2.3**.

5.5 Other Operating Expense Items

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Operating expenses included the following -		
Auditors' remuneration		
- Deloitte & Touche LLP, Singapore	**1.5**	1.5
- Deloitte Touche Tohmatsu, Australia	**1.2**	1.2
- Other Deloitte & Touche offices	**2.1**	1.7
Non-audit fees paid to		
- Deloitte & Touche LLP, Singapore [(1)]	**0.3**	0.4
- Deloitte Touche Tohmatsu, Australia [(1)]	**0.3**	0.3
- Other Deloitte & Touche offices	**0.2**	0.1
Impairment of trade receivables	**128.0**	139.1
Allowance for inventory obsolescence	**7.1**	1.6
Operating lease payments for properties and mobile base stations	**470.7**	447.8

Note:

(1) The non-audit fees for the current financial year ended 31 March 2018 included S$0.2 million (2017: S$0.2 million) and S$0.3 million (2017: S$0.3 million) paid to Deloitte & Touche LLP, Singapore, and Deloitte Touche Tohmatsu, Australia, respectively in respect of tax services, certification and review for regulatory purposes.

The Audit Committee had undertaken a review of the non-audit services provided by the auditors, Deloitte & Touche LLP, and in the opinion of the Audit Committee, these services did not affect the independence of the auditors.

6. OTHER INCOME

Other income included the following items -

	Group	
	2018 S$ Mil	**2017 S$ Mil**
Rental income	**3.3**	3.3
Net gains on disposal of property, plant and equipment	**4.3**	3.4
Net foreign exchange losses	**(9.1)**	(6.2)

7. DEPRECIATION AND AMORTISATION

	Group 2018 S$ Mil	Group 2017 S$ Mil
Depreciation of property, plant and equipment [1]	**2,041.1**	1,959.9
Amortisation of intangible assets	**300.5**	282.1
Amortisation of deferred gain on sale of a joint venture	**(1.5)**	(3.1)
	2,340.1	2,238.9

Note:

[1] Optus has revised the useful lives of certain network assets from 1 April 2017 as part of its periodic review. The revision has resulted in lower depreciation of S$49 million (A$48 million) in the current financial year ended 31 March 2018.

8. EXCEPTIONAL ITEMS

	Group 2018 S$ Mil	Group 2017 S$ Mil
Exceptional gains		
Gain on disposal of an associate	**2,030.9**	-
Disputes settlement	**54.8**	-
Gain on sale of AFS investments	**45.7**	11.5
Gain on disposal of a joint venture	**6.5**	-
Reversal of impairment on AFS investments	**0.2**	4.8
Gain on dilution of interests in associates and joint ventures	**-**	33.3
	2,138.1	49.6
Exceptional losses		
Impairment of other non-current assets	**(77.3)**	(11.7)
Staff restructuring costs	**(57.7)**	(38.3)
Provision for contingent claims and other charges	**(57.1)**	-
Impairment of an associate	**(5.0)**	-
Loss on sale of AFS investments	**(0.6)**	(0.2)
Impairment of AFS investments	**-**	(0.6)
	(197.7)	(50.8)
	1,940.4	(1.2)

9. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	Group 2018 S$ Mil	Group 2017 S$ Mil
Share of ordinary results		
- joint ventures [1]	**2,213.3**	2,638.0
- associates	**240.3**	247.8
	2,453.6	2,885.8
Share of net exceptional losses of associates and joint ventures (post-tax) [1]	**(26.8)**	(30.7)
Share of tax of ordinary results		
- joint ventures [1]	**(602.0)**	(793.7)
- associates	**(38.1)**	(44.1)
	(640.1)	(837.8)
	1,786.7	2,017.3

Note:

(1) AIS' 3G/4G handset subsidy costs in the previous financial year has been reclassified from share of exceptional items to share of ordinary results of joint ventures to be consistent with current year.

10. INTEREST AND INVESTMENT INCOME (NET)

	Group 2018 S$ Mil	Group 2017 S$ Mil
Interest income from		
- bank deposits	**7.6**	5.8
- others	**9.0**	31.6
	16.6	37.4
Dividends from joint ventures	**30.3**	60.9
Gross dividends from AFS investments	**2.3**	1.4
	49.2	99.7
Other foreign exchange (losses)/ gains	**(11.1)**	8.1
Other fair value gains	**7.4**	0.5
Fair value gains/ (losses) on fair value hedges		
- hedged items	**114.3**	57.8
- hedging instruments	**(114.2)**	(51.3)
	0.1	6.5
Fair value gains/ (losses) on cash flow hedges		
- hedged items	**2.1**	(1.5)
- hedging instruments	**(2.1)**	1.5
	-	-
	45.6	114.8

11. FINANCE COSTS

	Group 2018 S$ Mil	Group 2017 S$ Mil
Interest expense on		
- bonds	**302.8**	305.5
- bank loans	**49.7**	36.1
	352.5	341.6
Financing related costs	**27.0**	28.7
Effects of hedging using interest rate swaps	**6.8**	(0.2)
Unwinding of discounts (including adjustments)	**3.9**	4.2
	390.2	374.3

12. TAXATION

12.1 Tax Expense

	Group 2018 S$ Mil	Group 2017 S$ Mil
Current income tax		
- Singapore	**237.6**	235.7
- Overseas	**318.4**	299.4
	556.0	535.1
Deferred tax credit	**(51.5)**	(3.9)
Tax expense attributable to current year's profit	**504.5**	531.2
Adjustments in respect of prior years [1] -		
Current income tax	**(17.9)**	(34.8)
Deferred income tax	**36.5**	26.7
Withholding and dividend distribution taxes on dividend income from associates and joint ventures	**178.1**	161.3
	701.2	684.4

Note:
[1] This included certain tax credits upon finalisation of earlier years' tax assessments.

12.1 Tax Expense *(Cont'd)*

The tax expense on profits was different from the amount that would arise using the Singapore standard rate of income tax due to the following –

	Group 2018 S$ Mil	Group 2017 S$ Mil
Profit before tax	**6,131.5**	4,515.4
Less: Share of results of associates and joint ventures	**(1,786.7)**	(2,017.3)
	4,344.8	2,498.1
Tax calculated at tax rate of 17 per cent (2017: 17 per cent)	**738.6**	424.7
Effects of -		
Different tax rates of other countries	**78.7**	49.6
Income not subject to tax	**(342.7)**	(7.4)
Expenses not deductible for tax purposes	**33.7**	30.6
Deferred tax asset not recognised	**39.6**	47.5
Change in tax rate of other country	**(27.5)**	-
Others	**(15.9)**	(13.8)
Tax expense attributable to current year's profit	**504.5**	531.2

12.2 Deferred Taxes

The movements of the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year were as follows -

Group - 2018 Deferred tax assets	Provisions S$ Mil	TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2017	**40.3**	**137.8**	**21.7**	**469.6**	**669.4**
Credited/ (Charged) to income statement	**5.2**	**(53.1)**	**-**	**(213.7)**	**(261.6)**
Charged to other comprehensive income	**-**	**-**	**-**	**(8.4)**	**(8.4)**
Transfer from current tax	**1.0**	**-**	**-**	**-**	**1.0**
Translation differences	**(3.4)**	**(5.5)**	**1.1**	**(10.3)**	**(18.1)**
Balance as at 31 March 2018	**43.1**	**79.2**	**22.8**	**237.2**	**382.3**

12.2 Deferred Taxes *(Cont'd)*

Group - 2018 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2017	**(457.8)**	**(5.1)**	**(123.3)**	**(586.2)**
Acquisition of a subsidiary	**-**	**-**	**(21.4)**	**(21.4)**
(Charged)/ Credited to income statement	**(13.9)**	**(0.1)**	**73.4**	**59.4**
Transfer to current tax	**0.5**	**-**	**1.3**	**1.8**
Translation differences	**0.3**	**-**	**3.5**	**3.8**
Balance as at 31 March 2018	**(470.9)**	**(5.2)**	**(66.5)**	**(542.6)**

Group - 2017 Deferred tax assets	Provisions S$ Mil	TWDV [1] in excess of NBV [2] of depreciable assets S$ Mil	Tax losses and unutilised capital allowances S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2016	47.0	124.9	23.4	507.1	702.4
(Charged)/ Credited to income statement	(8.2)	8.5	(2.8)	(45.6)	(48.1)
Credited to other comprehensive income	-	-	-	1.3	1.3
Transfer (to)/ from current tax	(0.6)	-	0.1	0.2	(0.3)
Translation differences	2.1	4.4	1.0	6.6	14.1
Balance as at 31 March 2017	40.3	137.8	21.7	469.6	669.4

Group - 2017 Deferred tax liabilities	Accelerated tax depreciation S$ Mil	Offshore interest and dividend not remitted S$ Mil	Others S$ Mil	Total S$ Mil
Balance as at 1 April 2016	(444.7)	(5.3)	(145.4)	(595.4)
(Charged)/ Credited to income statement	(13.0)	0.2	26.0	13.2
Transfer from current tax	(0.1)	-	(1.5)	(1.6)
Translation differences	-	-	(2.4)	(2.4)
Balance as at 31 March 2017	(457.8)	(5.1)	(123.3)	(586.2)

12.2 Deferred Taxes *(Cont'd)*

Company - 2018 **Deferred tax assets**	**Provisions** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2017	**0.3**	**2.8**	**3.1**
Credited to income statement	**0.2**	**8.2**	**8.4**
Balance as at 31 March 2018	**0.5**	**11.0**	**11.5**

Company - 2018 **Deferred tax liabilities**	**Accelerated** **tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2017	**(285.3)**	**(285.3)**
Charged to income statement	**(1.8)**	**(1.8)**
Balance as at 31 March 2018	**(287.1)**	**(287.1)**

Company - 2017 **Deferred tax assets**	**Provisions** **S$ Mil**	**Others** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2016	0.4	3.3	3.7
Charged to income statement	(0.1)	(0.5)	(0.6)
Balance as at 31 March 2017	0.3	2.8	3.1

Company - 2017 **Deferred tax liabilities**	**Accelerated** **tax depreciation** **S$ Mil**	**Total** **S$ Mil**
Balance as at 1 April 2016	(274.2)	(274.2)
Charged to income statement	(11.1)	(11.1)
Balance as at 31 March 2017	(285.3)	(285.3)

Notes:

(1) TWDV – Tax written down value

(2) NBV – Net book value

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities, and when deferred income taxes relate to the same fiscal authority.

12.2 Deferred Taxes *(Cont'd)*

The amounts, determined after appropriate offsetting, are shown in the statements of financial position as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Deferred tax assets	**360.1**	657.8	**-**	-
Deferred tax liabilities	**(520.4)**	(574.6)	**(275.6)**	(282.2)
	(160.3)	83.2	**(275.6)**	(282.2)

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 March 2018, the subsidiaries of the Group had estimated unutilised income tax losses of approximately S$1.35 billion (31 March 2017: $1.07 billion), unutilised investment allowances of S$48 million (31 March 2017: S$50 million), unutilised capital tax losses of S$91 million (31 March 2017: S$97 million) and unabsorbed capital allowances of approximately S$10 million (31 March 2017: S$8.7 million).

These unutilised income tax losses and investment allowances, and unabsorbed capital allowances are available for set-off against future taxable profits, subject to the agreement of the relevant tax authorities and compliance with certain provisions of the income tax regulations of the respective countries in which the subsidiaries operate. The unutilised capital tax losses are available for set-off against future capital gains of a similar nature subject to compliance with certain statutory tests in Australia.

As at the end of the reporting period, the potential tax benefits arising from the following items were not recognised in the financial statements due to uncertainty on their recoverability –

	Group	
	2018 S$ Mil	2017 S$ Mil
Unutilised income tax losses and investment allowances, and unabsorbed capital allowances	**1,405.1**	1,132.4
Unutilised capital tax losses	**90.9**	96.5

13. EARNINGS PER SHARE

	Group 2018 '000	Group 2017 '000
Weighted average number of ordinary shares in issue for calculation of basic earnings per share [1]	**16,322,581**	16,082,136
Adjustment for dilutive effects of performance share plans	**21,748**	27,115
Weighted average number of ordinary shares for calculation of diluted earnings per share	**16,344,329**	16,109,251

Note:

[1] Adjusted to exclude the number of performance shares held by the Trust and the Company.

'Basic earnings per share' is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

For 'Diluted earnings per share', the weighted average number of ordinary shares in issue included the number of additional shares outstanding if the potential dilutive ordinary shares arising from the performance shares granted by the Group were issued. Adjustment is made to earnings for the dilutive effect arising from the associates and joint ventures' dilutive shares.

14. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following significant transactions and balances with related parties –

	Group 2018 S$ Mil	Group 2017 S$ Mil
Income		
Subsidiaries of ultimate holding company		
Telecommunications	**93.7**	91.8
Rental and maintenance	**29.0**	29.3
Associates		
Telecommunications	**19.8**	17.2
Interest on loan	**8.2**	27.6
Joint ventures		
Telecommunications	**45.8**	35.3

14. RELATED PARTY TRANSACTIONS *(Cont'd)*

	Group	
	2018 S$ Mil	2017 S$ Mil
Expenses		
Subsidiaries of ultimate holding company		
Telecommunications	**34.6**	43.9
Utilities	**68.7**	72.0
Associates		
Telecommunications	**144.0**	146.2
Postal	**7.9**	8.8
Rental	**6.3**	3.5
Joint ventures		
Telecommunications	**32.0**	37.0
Transmission capacity	**4.6**	27.0
Acquisition of shares in associate and joint ventures	**539.4**	2,471.3
Proceeds from sale of property, plant and equipment	**137.8**	32.0
Proceeds from disposal of a joint venture	**15.0**	-
Proceeds from disposal of AFS investments	**27.0**	-
Issue of new shares	**-**	1,605.1
Due from subsidiaries of ultimate holding company	**28.0**	23.8
Due to subsidiaries of ultimate holding company	**1.6**	5.2

All the above transactions were on normal commercial terms and conditions and market rates.

Please refer to **Note 5.2** for information on key management personnel compensation.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Fixed deposits	**122.7**	164.1	**28.0**	27.6
Cash and bank balances	**402.2**	369.7	**64.0**	61.6
	524.9	533.8	**92.0**	89.2

The carrying amounts of the cash and cash equivalents approximate their fair values.

Cash and cash equivalents denominated in the non-functional currencies of the Group were as follows –

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
USD	**87.5**	140.7	**30.3**	34.6
AUD	**14.8**	16.9	**0.3**	8.1
HKD	**15.6**	8.0	**0.3**	0.3

The maturities of the fixed deposits were as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Less than three months	**105.7**	147.8	**28.0**	27.6
Over three months	**17.0**	16.3	**-**	-
	122.7	164.1	**28.0**	27.6

As at 31 March 2018, the weighted average effective interest rate of the fixed deposits of the Group and the Company were 1.6 per cent (31 March 2017: 1.3 per cent) per annum and 1.7 per cent (31 March 2017: 1.1 per cent) per annum respectively.

The exposure of cash and cash equivalents to interest rate risks is disclosed in **Note 34.3**.

16. TRADE AND OTHER RECEIVABLES

Current	Group 2018 S$ Mil	Group 2017 S$ Mil	Company 2018 S$ Mil	Company 2017 S$ Mil
Trade receivables [1]	**4,044.1**	3,826.6	**487.6**	492.3
Less: Allowance for impairment of trade receivables	**(241.5)**	(225.2)	**(96.4)**	(90.7)
	3,802.6	3,601.4	**391.2**	401.6
Other receivables	**434.2**	525.0	**20.6**	18.9
Loans to subsidiaries	**-**	-	**120.6**	127.6
Less: Allowance for impairment of loans due	**-**	-	**(9.3)**	(12.7)
	-	-	**111.3**	114.9
Amount due from subsidiaries				
- trade	**-**	-	**722.3**	717.0
- non-trade	**-**	-	**1,029.0**	363.3
Less: Allowance for impairment of amount due	**-**	-	**(45.4)**	(45.4)
	-	-	**1,705.9**	1,034.9
Amount due from associates and joint ventures				
- trade	**16.6**	13.6	**1.9**	4.4
- non-trade	**140.9**	155.2	**4.0**	4.0
	157.5	168.8	**5.9**	8.4
Prepayments	**552.3**	540.2	**57.6**	60.2
Interest receivable	**73.4**	74.9	**31.4**	34.4
Others	**15.4**	13.9	**-**	-
	5,035.4	4,924.2	**2,323.9**	1,673.3

16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

	Group		Company	
Non-current	**2018 S$ Mil**	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Trade receivables [(1)]	**394.4**	417.0	**-**	-
Prepayments	**198.3**	194.5	**143.7**	155.1
Tax recoverable from Australian Taxation Office [(2)]	**134.9**	143.2	**-**	-
Other receivables	**19.6**	14.8	**-**	-
	747.2	769.5	**143.7**	155.1

Notes:

(1) This included accrued receivables under device repayment plans and other handset repayment plans where billings are made monthly over 24 months.

(2) The Group paid A$134 million to the Australian Taxation Office ("**ATO**") for amended tax assessments received in respect of the acquisition financing of Optus in the previous financial year. This payment has been recorded as a tax recoverable from the ATO pending outcome of its objections to the ATO (see **Note 38(b)**).

Trade receivables are non-interest bearing and are generally on 14-day to 30-day terms, while balances due from carriers are on 60-day terms.

As at 31 March 2018, the effective interest rate of an amount due from a subsidiary of S$824.5 million (31 March 2017: S$153.3 million) was 0.12 per cent (31 March 2017: 0.01 per cent) per annum. The loans to subsidiaries and amounts due from other subsidiaries, associates and joint ventures were unsecured, interest-free and repayable on demand.

An amount of S$18.8 million (31 March 2017: S$41.0 million) under current other receivables of the Group is guaranteed by a third party and repayable by 31 March 2019. The weighted average effective interest rate was nil (31 March 2017: 5.6%).

The maximum exposure to credit risk for trade receivables by customer type was as follows -

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Individuals	**2,043.8**	2,049.5	**141.8**	145.9
Corporations and others	**2,153.2**	1,968.9	**249.4**	255.7
	4,197.0	4,018.4	**391.2**	401.6

16. TRADE AND OTHER RECEIVABLES *(Cont'd)*

The age analysis of trade receivables (before allowance for impairment) was as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Less than 60 days	**3,913.8**	3,818.8	**327.4**	332.9
61 to 120 days	**198.7**	114.4	**45.1**	32.4
More than 120 days	**326.0**	310.4	**115.1**	127.0
	4,438.5	4,243.6	**487.6**	492.3

The movement in the allowance for impairment of trade receivables was as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**225.2**	245.9	**90.7**	84.0
Acquisition of a subsidiary	**2.2**	-	**-**	-
Allowance for impairment	**133.4**	142.0	**35.3**	40.0
Utilisation of allowance for impairment	**(103.9)**	(166.7)	**(29.3)**	(33.3)
Write-back of allowance for impairment	**(5.4)**	(2.9)	**(0.3)**	-
Translation differences	**(10.0)**	6.9	**-**	-
Balance as at 31 March	**241.5**	225.2	**96.4**	90.7

17. INVENTORIES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Equipment held for resale	**374.1**	320.1	**0.1**	0.2
Maintenance and capital works' inventories	**23.3**	32.1	**21.7**	23.6
	397.4	352.2	**21.8**	23.8

18. PROPERTY, PLANT AND EQUIPMENT

Group - 2018	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2017	22.5	265.7	819.5	20,533.2	2,927.8	6,679.6	1,616.2	32,864.5
Additions (net of rebates)	-	-	1.0	102.4	34.5	229.2	2,101.1	2,468.2
Disposals/ Write-offs	-	-	-	(82.5)	(215.8)	(140.7)	-	(439.0)
Acquisition of a subsidiary	-	-	-	-	-	10.6	-	10.6
Reclassifications/ Adjustments	-	-	109.1	1,139.2	100.1	739.5	(2,092.2)	(4.3)
Translation differences	(1.3)	(1.0)	(18.5)	(952.1)	(65.5)	(265.7)	(56.0)	(1,360.1)
Balance as at 31 March 2018	21.2	264.7	911.1	20,740.2	2,781.1	7,252.5	1,569.1	33,539.9
Accumulated depreciation								
Balance as at 1 April 2017	-	78.7	335.9	13,505.7	2,223.4	4,793.2	-	20,936.9
Depreciation charge for the year	-	4.1	22.8	1,194.1	159.7	660.4	-	2,041.1
Disposals/ Write-offs	-	-	-	(61.4)	(215.9)	(120.6)	-	(397.9)
Reclassifications/ Adjustments	-	-	2.5	2.7	(6.1)	(3.8)	-	(4.7)
Translation differences	-	(1.0)	(0.5)	(634.1)	(40.7)	(195.4)	-	(871.7)
Balance as at 31 March 2018	-	81.8	360.7	14,007.0	2,120.4	5,133.8	-	21,703.7
Accumulated impairment								
Balance as at 1 April 2017	-	2.0	7.3	5.4	0.3	19.7	-	34.7
Impairment charge for the year	-	-	-	-	-	1.5	-	1.5
Translation differences	-	-	-	-	-	(0.8)	-	(0.8)
Balance as at 31 March 2018	-	2.0	7.3	5.4	0.3	20.4	-	35.4
Net Book Value as at 31 March 2018	21.2	180.9	543.1	6,727.8	660.4	2,098.3	1,569.1	11,800.8

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Group - 2017	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2016	21.8	265.2	776.7	18,867.0	2,789.7	5,847.0	1,466.2	30,033.6
Additions (net of rebates)	-	-	0.5	104.5	51.1	328.9	1,962.5	2,447.5
Disposals/ Write-offs	-	-	-	(146.9)	(45.2)	(143.6)	(2.6)	(338.3)
Reclassifications/ Adjustments	-	-	32.4	1,195.0	95.7	515.1	(1,840.4)	(2.2)
Translation differences	0.7	0.5	9.9	513.6	36.5	132.2	30.5	723.9
Balance as at 31 March 2017	22.5	265.7	819.5	20,533.2	2,927.8	6,679.6	1,616.2	32,864.5
Accumulated depreciation								
Balance as at 1 April 2016	-	74.1	315.0	12,111.2	2,083.9	4,259.6	-	18,843.8
Depreciation charge for the year	-	4.1	20.9	1,188.4	161.9	584.6	-	1,959.9
Disposals/ Write-offs	-	-	-	(139.4)	(44.8)	(140.9)	-	(325.1)
Reclassifications/ Adjustments	-	-	-	11.1	-	(9.1)	-	2.0
Translation differences	-	0.5	-	334.4	22.4	99.0	-	456.3
Balance as at 31 March 2017	-	78.7	335.9	13,505.7	2,223.4	4,793.2	-	20,936.9
Accumulated impairment								
Balance as at 1 April 2016	-	2.0	7.3	7.4	1.9	17.2	-	35.8
Impairment charge for the year	-	-	-	-	-	2.4	-	2.4
Disposals/ Write-offs	-	-	-	(2.0)	(1.6)	(0.4)	-	(4.0)
Translation differences	-	-	-	-	-	0.5	-	0.5
Balance as at 31 March 2017	-	2.0	7.3	5.4	0.3	19.7	-	34.7
Net Book Value as at 31 March 2017	22.5	185.0	476.3	7,022.1	704.1	1,866.7	1,616.2	11,892.9

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company - 2018	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2017	0.4	228.2	433.0	3,299.1	931.0	1,812.7	502.6	7,207.0
Additions (net of rebates)	-	-	-	43.2	19.7	84.6	209.5	357.0
Disposals/ Write-offs	-	-	-	(77.6)	(194.6)	(104.6)	-	(376.8)
Reclassifications	-	-	90.1	36.7	36.2	144.5	(307.5)	-
Balance as at 31 March 2018	0.4	228.2	523.1	3,301.4	792.3	1,937.2	404.6	7,187.2
Accumulated depreciation								
Balance as at 1 April 2017	-	56.5	281.8	2,468.4	852.8	1,207.7	-	4,867.2
Depreciation charge for the year	-	2.7	13.8	119.4	42.0	161.0	-	338.9
Disposals/ Write-offs	-	-	(2.6)	(56.6)	(194.7)	(82.2)	-	(336.1)
Balance as at 31 March 2018	-	59.2	293.0	2,531.2	700.1	1,286.5	-	4,870.0
Accumulated impairment								
Balance as at 1 April 2017 and 31 March 2018	-	2.0	7.2	4.1	-	-	-	13.3
Net Book Value as at 31 March 2018	0.4	167.0	222.9	766.1	92.2	650.7	404.6	2,303.9

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Company - 2017	Freehold land S$ Mil	Leasehold land S$ Mil	Buildings S$ Mil	Transmission plant and equipment S$ Mil	Switching equipment S$ Mil	Other plant and equipment S$ Mil	Capital work-in-progress S$ Mil	Total S$ Mil
Cost								
Balance as at 1 April 2016	0.4	228.2	432.9	3,188.7	925.2	1,563.9	525.1	6,864.4
Additions (net of rebates)	-	-	-	46.9	17.3	199.7	231.5	495.4
Disposals/ Write-offs	-	-	-	(52.9)	(29.3)	(70.6)	-	(152.8)
Reclassifications	-	-	0.1	116.4	17.8	119.7	(254.0)	-
Balance as at 31 March 2017	0.4	228.2	433.0	3,299.1	931.0	1,812.7	502.6	7,207.0
Accumulated depreciation								
Balance as at 1 April 2016	-	53.8	268.2	2,383.1	838.8	1,132.4	-	4,676.3
Depreciation charge for the year	-	2.7	13.6	131.5	43.2	144.8	-	335.8
Disposals/ Write-offs	-	-	-	(46.2)	(29.2)	(69.5)	-	(144.9)
Balance as at 31 March 2017	-	56.5	281.8	2,468.4	852.8	1,207.7	-	4,867.2
Accumulated impairment								
Balance as at 1 April 2016	-	2.0	7.2	5.9	1.2	0.4	-	16.7
Disposals/ Write-offs	-	-	-	(1.8)	(1.2)	(0.4)	-	(3.4)
Balance as at 31 March 2017	-	2.0	7.2	4.1	-	-	-	13.3
Net Book Value as at 31 March 2017	0.4	169.7	144.0	826.6	78.2	605.0	502.6	2,326.5

18. PROPERTY, PLANT AND EQUIPMENT *(Cont'd)*

Property, plant and equipment included the following -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Net book value of property, plant and equipment				
Assets acquired under finance leases	**37.0**	78.6	**10.8**	29.2
Staff costs capitalised	**204.6**	235.4	**31.2**	35.6

19. INTANGIBLE ASSETS

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Goodwill on acquisition of subsidiaries	**11,372.2**	11,164.6	**-**	-
Telecommunications and spectrum licences	**2,355.5**	1,565.5	**-**	-
Technology and brand	**204.6**	302.5	**-**	-
Customer relationships and others	**36.8**	40.2	**-**	-
	13,969.1	13,072.8	**-**	-

19.1 Goodwill on Acquisition of Subsidiaries

	Group	
	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**11,164.6**	11,090.3
Acquisition of a subsidiary	**347.5**	-
Translation differences	**(139.9)**	74.3
Balance as at 31 March	**11,372.2**	11,164.6

19.2 Telecommunications and Spectrum Licences

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**1,565.5**	1,439.8	**-**	0.3
Additions	**1,118.3**	271.8	**-**	-
Amortisation for the year	**(221.6)**	(192.2)	**-**	(0.3)
Translation differences	**(106.7)**	46.1	**-**	-
Balance as at 31 March	**2,355.5**	1,565.5	**-**	-
Cost	**3,817.1**	2,876.4	**8.4**	8.4
Accumulated amortisation	**(1,455.4)**	(1,304.7)	**(8.4)**	(8.4)
Accumulated impairment	**(6.2)**	(6.2)	**-**	-
Net book value as at 31 March	**2,355.5**	1,565.5	**-**	-

19.3 Technology and Brand

	Group	
	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**302.5**	374.1
Acquisition of a subsidiary	**53.3**	-
Amortisation for the year	**(58.5)**	(71.5)
Impairment charge for the year	**(75.8)**	(9.3)
Adjustments	**-**	(4.7)
Translation differences	**(16.9)**	13.9
Balance as at 31 March	**204.6**	302.5
Cost	**586.3**	550.4
Accumulated amortisation	**(288.6)**	(230.4)
Accumulated impairment	**(93.1)**	(17.5)
Net book value as at 31 March	**204.6**	302.5

19.4 Customer Relationships and Others

	Group 2018 S$ Mil	Group 2017 S$ Mil
Balance as at 1 April	**40.2**	64.2
Additions	**17.9**	2.9
Amortisation for the year	**(20.4)**	(18.4)
Reclassifications/ Adjustments	**-**	(9.6)
Translation differences	**(0.9)**	1.1
Balance as at 31 March	**36.8**	40.2
Cost	**135.8**	134.6
Accumulated amortisation	**(99.0)**	(94.4)
Net book value as at 31 March	**36.8**	40.2

20. SUBSIDIARIES

	Company 2018 S$ Mil	Company 2017 S$ Mil
Unquoted equity shares, at cost	**13,676.4**	11,001.2
Shareholders' advances	**5,733.0**	6,423.3
Deemed investment in a subsidiary	**32.5**	32.5
	19,441.9	17,457.0
Less: Allowance for impairment losses	**(16.0)**	(16.0)
	19,425.9	17,441.0

The advances given to subsidiaries were interest-free and unsecured with settlement neither planned nor likely to occur in the foreseeable future. An advance of S$678.3 million with an effective interest rate of 1.0 per cent per annum was repaid during the year.

The deemed investment in a subsidiary, Singtel Group Treasury Pte. Ltd. ("**SGT**"), arose from financial guarantees provided by the Company for loans drawn down by SGT prior to 1 April 2010.

The significant subsidiaries of the Group are set out in **Note 42.1** to **Note 42.3**.

21. ASSOCIATES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Quoted equity shares, at cost	**1,733.4**	1,589.9	**24.7**	24.7
Unquoted equity shares, at cost	**77.2**	742.6	**-**	578.8
Shareholder's loan (unsecured)	**-**	1.7	**-**	-
	1,810.6	2,334.2	**24.7**	603.5
Goodwill on consolidation adjusted against shareholders' equity	**29.4**	(28.3)	**-**	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**141.0**	(153.7)	**-**	-
Translation differences	**104.4**	65.0	**-**	-
	274.8	(117.0)	**-**	-
Less: Allowance for impairment losses	**(5.0)**	-	**-**	-
Reclassification to 'Net deferred gain' (see **Note 26**)	**(74.9)**	(265.0)	**-**	-
	2,005.5	1,952.2	**24.7**	603.5

As at 31 March 2018,

(i) The market values of the quoted equity shares in associates held by the Group and the Company were S$3.13 billion (31 March 2017: S$2.24 billion) and S$676.8 million (31 March 2017: S$671.8 million) respectively.

(ii) The Group's proportionate interest in the capital commitments of the associates was S$166.6 million (31 March 2017: S$227.3 million).

The details of associates are set out in **Note 42.4**.

21. ASSOCIATES *(Cont'd)*

The summarised financial information of the Group's significant associate namely Intouch Holdings Public Company Limited ("**Intouch**"), based on its financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements was as follows –

Intouch	2018 S$ Mil	2017 S$ Mil
Statement of comprehensive income		
Revenue	**353.9**	144.1
Profit after tax	**488.2**	166.1
Other comprehensive income/ (loss)	**10.9**	(1.6)
Total comprehensive income	**499.1**	164.5
Statement of financial position		
Current assets	**696.7**	701.9
Non-current assets	**1,485.4**	1,607.4
Current liabilities	**(430.0)**	(483.6)
Non-current liabilities	**(303.2)**	(395.3)
Net assets	**1,448.9**	1,430.4
Less: Non-controlling interests	**(331.1)**	(411.6)
Net assets attributable to equity holders	**1,117.8**	1,018.8
Proportion of the Group's ownership	**21.0%**	21.0%
Group's share of net assets	**234.7**	213.9
Goodwill and other identifiable intangible assets	**1,417.6**	1,371.7
Others	**(15.9)**	(8.4)
Carrying amount of the investment	**1,636.4**	1,577.2
Other items		
Group's share of market value	**1,639.6**	1,525.0
Dividends received during the year	**77.8**	-

21. ASSOCIATES *(Cont'd)*

The aggregate information of the Group's investments in associates which are not individually significant were as follows –

	Group	
	2018 S$ Mil	2017 S$ Mil
Share of profit after tax	**90.2**	76.3
Share of other comprehensive (loss)/income	**(2.2)**	2.9
Share of total comprehensive income	**88.0**	79.2

22. JOINT VENTURES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Quoted equity shares, at cost	**2,798.4**	2,798.4	**-**	-
Unquoted equity shares, at cost	**5,778.7**	5,240.8	**22.8**	23.0
	8,577.1	8,039.2	**22.8**	23.0
Goodwill on consolidation adjusted against shareholders' equity	**(1,225.9)**	(1,225.9)	**-**	-
Share of post-acquisition reserves (net of dividends, and accumulated amortisation of goodwill)	**9,395.1**	8,715.2	**-**	-
Translation differences	**(3,933.7)**	(3,215.6)	**-**	-
	4,235.5	4,273.7	**-**	-
Less: Allowance for impairment losses	**(30.0)**	(30.0)	**-**	-
	12,782.6	12,282.9	**22.8**	23.0

As at 31 March 2018,

(i) The market value of the quoted equity shares in joint ventures held by the Group was S$21.29 billion (31 March 2017: S$19.55 billion).

(ii) The Group's proportionate interest in the capital commitments of joint ventures was S$2.14 billion (31 March 2017: S$1.80 billion).

The details of joint ventures are set out in **Note 42.5.**

22. JOINT VENTURES *(Cont'd)*

Optus has an interest in an unincorporated joint operation to share certain 4G network sites and radio infrastructure across Australia whereby it holds an interest of 50% (31 March 2017: 50%) in the assets, with access to the shared network and shares 50% (31 March 2017: 50%) of the cost of building and operating the network.

The Group's property, plant and equipment included the Group's interest in the property, plant and equipment employed in the unincorporated joint operation was S$1.08 billion (31 March 2017: S$1.03 billion).

The summarised financial information of the Group's significant joint ventures namely Bharti Airtel Limited ("**Airtel**"), PT Telekomunikasi Selular ("**Telkomsel**"), Globe Telecom, Inc. ("**Globe**") and Advanced Info Service Public Company Limited ("**AIS**"), based on their financial statements and a reconciliation with the carrying amounts of the investments in the consolidated financial statements were as follows –

Group - 2018	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	17,574.5	9,384.0	3,724.4	6,564.2
Depreciation and amortisation	(4,041.1)	(1,399.4)	(757.2)	(1,286.7)
Interest income	283.5	81.5	4.4	7.4
Interest expense	(1,958.4)	(55.8)	(172.4)	(137.7)
Income tax expense	(227.5)	(974.5)	(184.9)	(239.7)
Profit after tax	191.4	2,946.4	420.6	1,249.8
Other comprehensive (loss)/ income	(234.8)	(39.6)	29.5	33.6
Total comprehensive (loss)/ income	(43.4)	2,906.8	450.1	1,283.4
Statement of financial position				
Current assets	6,746.1	2,993.9	1,453.9	1,428.1
Non-current assets	43,560.9	5,759.2	5,540.3	10,612.1
Current liabilities	(15,756.0)	(2,289.7)	(2,103.9)	(3,107.5)
Non-current liabilities	(19,002.1)	(702.6)	(3,166.1)	(6,916.1)
Net assets	15,548.9	5,760.8	1,724.2	2,016.6
Less: Non-controlling interests	(1,684.8)	-	0.9	(13.6)
Net assets attributable to equity holders	13,864.1	5,760.8	1,725.1	2,003.0
Proportion of the Group's ownership	39.5%	35.0%	47.1%	23.3% (1)
Group's share of net assets	5,477.7	2,016.2	813.0	467.1
Goodwill capitalised	1,548.8	1,403.6	373.4	303.0
Others (2)	426.6	-	(126.4)	(7.6)
Carrying amount of the investment	7,453.1	3,419.8	1,060.0	762.5

22. JOINT VENTURES *(Cont'd)*

Group - 2018	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Other items				
Cash and cash equivalents	**964.3**	**1,634.3**	**158.3**	**457.7**
Non-current financial liabilities excluding trade and other payables	**(18,146.6)**	**(354.5)**	**(2,619.5)**	**(4,199.0)**
Current financial liabilities excluding trade and other payables	**(5,320.4)**	**(168.5)**	**(281.5)**	**(14.0)**
Group's share of market value	**12,680.9**	**NA**	**2,551.3**	**6,054.8**
Dividends received during the year	**47.9**	**1,017.8**	**152.8**	**217.1**

"NA" denotes Not Applicable.

Notes:

(1) Based on the Group's direct equity interest in AIS.

(2) Others include adjustments to align the respective local accounting standards to FRS.

Group - 2017	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Statement of comprehensive income				
Revenue	19,666.4	9,265.4	3,657.1	6,058.2
Depreciation and amortisation	(4,073.3)	(1,352.8)	(690.8)	(967.5)
Interest income	380.9	105.8	3.8	7.9
Interest expense	(1,945.0)	(77.0)	(128.6)	(188.5)
Income tax expense	(718.9)	(1,003.5)	(169.5)	(238.4)
Profit after tax	834.5	3,059.4	439.5	1,191.2
Other comprehensive (loss)/ income	(1,048.7)	(40.6)	4.0	(0.1)
Total comprehensive (loss)/ income	(214.2)	3,018.8	443.5	1,191.1
Statement of financial position				
Current assets	4,378.4	3,562.2	1,490.0	1,299.5
Non-current assets	45,611.2	6,169.6	5,545.0	10,041.0
Current liabilities	(13,568.3)	(2,541.8)	(2,335.1)	(2,994.1)
Non-current liabilities	(20,676.7)	(896.8)	(2,910.8)	(6,816.6)
Net assets	15,744.6	6,293.2	1,789.1	1,529.8
Less: Non-controlling interests	(1,399.0)	-	0.4	(5.7)
Net assets attributable to equity holders	14,345.6	6,293.2	1,789.5	1,524.1

22. JOINT VENTURES *(Cont'd)*

Group - 2017	Airtel S$ Mil	Telkomsel S$ Mil	Globe S$ Mil	AIS S$ Mil
Proportion of the Group's ownership	36.5%	35.0%	47.1%	23.3%[1]
Group's share of net assets	5,230.4	2,202.6	843.6	355.4
Goodwill capitalised	1,229.0	1,403.6	381.7	293.3
Others [2]	387.6	-	(139.9)	(2.3)
Carrying amount of the investment	6,847.0	3,606.2	1,085.4	646.4
Other items				
Cash and cash equivalents	348.7	2,371.9	229.1	522.0
Non-current financial liabilities excluding trade and other payables	(19,774.0)	(570.2)	(2,658.7)	(3,690.1)
Current financial liabilities excluding trade and other payables	(3,884.7)	(76.6)	(353.6)	(187.4)
Group's share of market value	10,995.3	NA	3,544.1	5,013.9
Dividends received during the year	16.5	971.2	159.9	330.3

"NA" denotes Not Applicable.

Notes:

[1] Based on the Group's direct equity interest in AIS.

[2] Others include adjustments to align the respective local accounting standards to FRS.

The aggregate information of the Group's investments in joint ventures which are not individually significant were as follows –

	Group 2018 S$ Mil	Group 2017 S$ Mil
Share of profit after tax	**12.2**	18.1
Share of other comprehensive loss	*	(0.1)
Share of total comprehensive income	**12.2**	18.0
Aggregate carrying value	**87.2**	97.9

"*" denotes amount of less than S$50,000

23. IMPAIRMENT REVIEWS

Goodwill arising on acquisition of subsidiaries

The carrying values of the Group's goodwill on acquisition of subsidiaries as at 31 March 2018 were assessed for impairment during the financial year.

Goodwill is allocated for impairment testing purposes to the individual entity which is also the cash generating unit ("**CGU**").

The Group is structured into three business segments, Group Consumer, Group Enterprise and Group Digital Life. Based on the relative fair value approach, the goodwill of Optus was fully allocated to Consumer Australia included in the Group Consumer segment for the purpose of goodwill impairment test.

The recoverable values of cash generating units including goodwill are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The Group has used cash flow projections of five years except for Amobee and the global cyber security business which were based on cash flow projections of ten years to better reflect their stages of growth. Cash flows beyond the terminal year are extrapolated using the estimated growth rates stated in the table below. Key assumptions used in the calculation of value-in-use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital (WACC) where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

In April 2018, a global cyber security unit was established to integrate the cyber security businesses across the Group including Trustwave. Hence, the Group's global cyber security business (including Trustwave) is considered a single CGU for the purpose of goodwill impairment test. As at 31 March 2018, the carrying value of goodwill in the global cyber security business was S$999 million, with the value-in-use determined based on terminal growth rate of 4.0% and pre-tax discount rate of 11.9%.

The details of other subsidiaries are shown in the table below:

			Terminal growth rate [1]		Pre-tax discount rate	
Group	**2018 S$ Mil**	**2017 S$ Mil**	**2018**	**2017**	**2018**	**2017**
Carrying value of goodwill in -						
Optus Group	**9,279.1**	9,288.4	**3.0%**	3.0%	**9.0%**	9.3%
Amobee, Inc.	**1,011.8**	729.8	**3.5%**	4.0%	**14.1%**	14.4%
SCS Computer Systems Pte. Ltd.	**82.2**	82.2	**2.0%**	2.0%	**7.4%**	7.6%

Note:

(1) Weighted average growth rate used to extrapolate cash flows beyond the terminal year.

23. IMPAIRMENT REVIEWS *(Cont'd)*

As at 31 March 2018, no impairment charge was required for goodwill arising from acquisition of subsidiaries, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below their carrying values.

24. AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Balance as at 1 April	**192.9**	147.5	**37.4**	35.1
Additions	**59.6**	39.6	**-**	-
Disposals/ Write-offs	**(27.2)**	(11.0)	**(6.4)**	-
Write-back of impairment	**-**	0.9	**-**	-
Net fair value (losses)/ gains included in 'Other Comprehensive Income'	**(26.8)**	16.5	**(25.5)**	2.3
Translation differences	**(0.6)**	(0.6)	**-**	-
Balance as at 31 March	**197.9**	192.9	**5.5**	37.4
Cost	**252.4**	221.1	**3.3**	9.7
Accumulated impairment	**(79.1)**	(80.8)	**-**	-
Fair value changes	**24.6**	52.6	**2.2**	27.7
	197.9	192.9	**5.5**	37.4

AFS investments included the following –

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Quoted equity securities				
- Singapore	**5.5**	7.7	**5.5**	7.7
- United States of America	**4.5**	4.2	**-**	-
- Thailand	**-**	21.4	**-**	21.4
	10.0	33.3	**5.5**	29.1
Unquoted				
Equity securities	**168.2**	149.4	**-**	8.3
Others	**19.7**	10.2	**-**	-
	187.9	159.6	**-**	8.3
	197.9	192.9	**5.5**	37.4

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Balance as at 1 April	**243.6**	299.3	**(88.0)**	(99.9)
Fair value (losses)/ gains				
- included in income statement	**(113.3)**	(58.0)	**(73.2)**	(0.8)
- included in 'Hedging Reserve'	**4.3**	13.9	**1.5**	12.7
Settlement of swaps for bonds repaid	**(61.4)**	(16.3)	**-**	-
Translation differences	**(12.6)**	4.7	**-**	-
Balance as at 31 March	**60.6**	243.6	**(159.7)**	(88.0)
Disclosed as -				
Current asset	**23.2**	107.3	**70.1**	107.1
Non-current asset	**409.6**	455.2	**134.1**	284.9
Current liability	**(70.0)**	(15.8)	**(84.9)**	(110.0)
Non-current liability	**(302.2)**	(303.1)	**(279.0)**	(370.0)
	60.6	243.6	**(159.7)**	(88.0)

25.1 Fair Values

The fair values of the currency and interest rate swap contracts exclude accrued interest of S$16.8 million (31 March 2017: S$19.6 million). The accrued interest is separately disclosed in **Note 16** and **Note 27**.

The fair values of the derivative financial instruments were as follows -

	Group Fair values		Company Fair values	
2018	Assets S$ Mil	Liabilities S$ Mil	Assets S$ Mil	Liabilities S$ Mil
Fair value and cash flow hedges				
Cross currency swaps	**417.2**	**253.9**	**-**	**135.9**
Interest rate swaps	**15.6**	**86.7**	**-**	**7.0**
Forward foreign exchange contracts	**-**	**25.1**	**-**	**16.8**
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	**-**	**-**	**183.2**	**183.2**
Interest rate swaps	**-**	**6.5**	**21.0**	**21.0**
	432.8	**372.2**	**204.2**	**363.9**
Disclosed as -				
Current	**23.2**	**70.0**	**70.1**	**84.9**
Non-current	**409.6**	**302.2**	**134.1**	**279.0**
	432.8	**372.2**	**204.2**	**363.9**

25.1 Fair Values *(Cont'd)*

2017	Group Fair values		Company Fair values	
	Assets S$ Mil	**Liabilities S$ Mil**	**Assets S$ Mil**	**Liabilities S$ Mil**
Fair value and cash flow hedges				
Cross currency swaps	529.1	152.2	-	72.5
Interest rate swaps	31.0	129.3	-	7.4
Forward foreign exchange contracts	2.1	27.0	2.1	10.2
Derivatives that do not qualify for hedge accounting				
Cross currency swaps	-	-	350.4	350.4
Interest rate swaps	0.1	10.4	39.5	39.5
Forward foreign exchange contracts	0.2	-	-	-
	562.5	318.9	392.0	480.0
Disclosed as -				
Current	107.3	15.8	107.1	110.0
Non-current	455.2	303.1	284.9	370.0
	562.5	318.9	392.0	480.0

The cash flow hedges are designated for foreign currency commitments and repayments of principal and interest of foreign currency denominated bonds.

The forecast transactions for the foreign currency commitments are expected to occur in the financial year ending 31 March 2019, while the forecast transactions for the repayment of principal and interest of the foreign currency denominated bonds will occur according to the timing disclosed in **Note 28**.

25.1 Fair Values *(Cont'd)*

As at 31 March 2018, the details of the outstanding derivative financial instruments were as follows -

	Group		Company	
	2018	**2017**	**2018**	**2017**
Interest rate swaps				
Notional principal (S$ million equivalent)	**2,702.5**	3,680.9	**2,838.4**	4,639.6
Fixed interest rates	**2.0% to 6.2%**	1.2% to 6.2%	**2.0% to 4.5%**	1.2% to 4.5%
Floating interest rates	**2.0% to 3.2%**	1.8% to 2.3%	**1.1% to 3.2%**	1.1% to 2.3%
Cross currency swaps				
Notional principal (S$ million equivalent)	**4,794.9**	6,073.3	**5,256.8**	7,543.6
Fixed interest rates	**1.9% to 7.5%**	1.9% to 7.5%	**0.9% to 5.2%**	0.9% to 5.2%
Floating interest rates	**1.5% to 3.5%**	1.5% to 3.3%	**1.5% to 3.3%**	1.5% to 3.2%
Forward foreign exchange				
Notional principal (S$ million equivalent)	**846.5**	1,358.2	**304.1**	713.3

The interest rate swaps entered into by the Group are re-priced at intervals ranging from monthly to six-monthly periods. The interest rate swaps entered by the Company are re-priced every six months.

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Loan to an associate	**-**	1,100.5	**-**	1,100.5
Unamortised deferred gain	**452.7**	1,616.5	**-**	-
Reclassification from 'Associates' (see **Note 21**)	**(74.9)**	(265.0)	**-**	-
Net deferred gain	**377.8**	1,351.5	**-**	-
Classified as -				
Current	**20.1**	68.8	**-**	-
Non-current	**357.7**	1,282.7	**-**	-
	377.8	1,351.5	**-**	-

26. LOAN TO AN ASSOCIATE/ NET DEFERRED GAIN *(Cont'd)*

NetLink Trust ("**NLT**") is a business trust established as part of the Info-communications Media Development Authority of Singapore's ("**IMDA**") effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In prior years, Singtel had sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., and exchange buildings ("**Assets**"), and Singtel's business of providing duct and manhole services in relation to the Assets ("**Business**") to NLT.

As Singtel did not have effective control over NLT, it was equity accounted as an associate at the Group.

At the consolidated level, the gain on disposal of Assets recorded by Singtel is deferred in the Group's statement of financial position and amortised over the useful lives of the Assets. The unamortised deferred gain is released to the Group's income statement when NLT is partially or fully sold, based on the proportionate equity interest disposed. In addition, lease expenses paid to NLT and interest income earned from NLT are not eliminated on a line-by-line basis in the Group.

On 19 July 2017, Singtel sold its 100% interest in NLT to NetLink NBN Trust (the "**Trust**") for an aggregate consideration of S$1.89 billion comprising a cash consideration of S$1.11 billion and 24.8% interest in the Trust. The Group recorded a net gain on disposal of NLT of S$2.03 billion which included the release of deferred gains (after tax) of S$1.10 billion on past sales of Assets to NLT. In addition, the loan to NLT of S$1.10 billion, which carried a fixed interest rate and was secured by a fixed and floating charge over NLT's assets and business undertakings, was fully repaid.

Following the divestment, Singtel ceased to own units in NLT but continues to have an interest of 24.8% in the Trust which owns all the units in NLT. As Singtel does not have effective control over the Trust, the Trust is equity accounted as an associate at the Group.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Trade payables	**3,994.0**	3,590.7	**585.5**	592.9
Accruals	**876.3**	983.4	**245.9**	160.4
Interest payable on borrowings	**137.9**	142.7	**41.7**	43.6
Deferred income	**38.3**	31.3	**12.6**	11.5
Customers' deposits	**26.6**	26.2	**15.3**	15.8
Due to associates and joint ventures				
- trade	**31.0**	27.9	**23.9**	22.3
- non-trade	*	*	**-**	-
	31.0	27.9	**23.9**	22.3
Due to subsidiaries				
- trade	**-**	-	**294.3**	263.8
- non-trade	**-**	-	**214.4**	458.2
	-	-	**508.7**	722.0
Other payables	**129.8**	120.2	**34.8**	33.5
	5,233.9	4,922.4	**1,468.4**	1,602.0

"*" denotes amount of less than S$50,000.

27. TRADE AND OTHER PAYABLES *(Cont'd)*

The trade payables are non-interest bearing and are generally settled on 30 to 60 days terms, with some payables relating to handset and network investments having payment terms of up to a year.

The interest payable on borrowings are generally settled on a half-year or annual basis except for interest payable on certain bonds and syndicated loan facilities which are settled on quarterly and monthly basis respectively.

The amounts due to subsidiaries are repayable on demand and interest-free.

28. BORROWINGS (UNSECURED)

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Current				
Bonds	**1,129.0**	978.7	**-**	-
Bank loans	**671.5**	2,068.2	**-**	-
	1,800.5	3,046.9	**-**	-
Non-current				
Bonds	**6,694.9**	7,702.7	**673.2**	746.2
Bank loans	**1,830.2**	150.0	**-**	-
	8,525.1	7,852.7	**673.2**	746.2
Total unsecured borrowings	**10,325.6**	10,899.6	**673.2**	746.2

28.1 Bonds

	Group		Company	
Principal amount	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
US$1,600 million [1] (31 March 2017: US$2,300 million)	**2,094.1**	3,212.7	**-**	-
US$500 million [1]	**673.2**	746.2	**673.2**	746.2
US$500 million [1][2]	**659.5**	711.2	**-**	-
US$400 million	**525.1**	559.2	**-**	-
€700 million [1][2]	**1,150.2**	1,071.0	**-**	-
A$1,025 million [2] (31 March 2017: A$625 million)	**1,028.2**	665.0	**-**	-
S$600 million [1]	**600.0**	600.0	**-**	-
S$550 million	**550.0**	550.0	**-**	-
S$150 million [2]	**149.9**	149.9	**-**	-
¥10,000 million	**123.0**	124.9	**-**	-
HK$1,000 million [2]	**167.1**	179.8	**-**	-
HK$620 million	**103.6**	111.5	**-**	-
	7,823.9	8,681.4	**673.2**	746.2
Classified as -				
Current	**1,129.0**	978.7	**-**	-
Non-current	**6,694.9**	7,702.7	**673.2**	746.2
	7,823.9	8,681.4	**673.2**	746.2

Notes:

(1) The bonds are listed on the Singapore Exchange.

(2) The bonds, issued by Optus Group, are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

28.2 Bank Loans

	Group	
	2018 S$ Mil	2017 S$ Mil
Current	**671.5**	2,068.2
Non-current	**1,830.2**	150.0
	2,501.7	2,218.2

28.3 Maturity

The maturity periods of the non-current unsecured borrowings at the end of the reporting period were as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Between one and two years	**1,009.5**	1,346.0	**-**	-
Between two and five years	**5,539.1**	3,709.2	**-**	-
Over five years	**1,976.5**	2,797.5	**673.2**	746.2
	8,525.1	7,852.7	**673.2**	746.2

28.4 Interest Rates

The weighted average effective interest rates at the end of the reporting period were as follows -

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Bonds (fixed rate)	**3.9**	3.8	**7.4**	7.4
Bonds (floating rate)	**3.0**	2.1	**-**	-
Bank loans (floating rate)	**1.9**	1.6	**-**	-

28.5 The tables below set out the maturity profile of borrowings and related swaps based on expected contractual undiscounted cash flows.

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
<u>As at 31 March 2018</u>				
Net-settled interest rate swaps	**45.3**	**37.2**	**20.3**	**17.3**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(301.3)**	**(252.5)**	**(458.5)**	**(624.9)**
- Outflow	**259.4**	**210.8**	**363.4**	**464.4**
	3.4	**(4.5)**	**(74.8)**	**(143.2)**
Borrowings	**2,143.8**	**1,928.7**	**5,103.1**	**2,768.7**
	2,147.2	**1,924.2**	**5,028.3**	**2,625.5**

28.5

Group	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2017				
Net-settled interest rate swaps	47.4	44.3	48.3	20.4
Cross currency interest rate swaps (gross-settled)				
- Inflow	(208.1)	(191.8)	(410.4)	(600.9)
- Outflow	162.4	154.7	290.7	382.0
	1.7	7.2	(71.4)	(198.5)
Borrowings	3,258.8	1,618.2	4,059.6	3,629.4
	3,260.5	1,625.4	3,988.2	3,430.9

Company	Less than 1 year S$ Mil	Between 1 and 2 years S$ Mil	Between 2 and 5 years S$ Mil	Over 5 years S$ Mil
As at 31 March 2018				
Net-settled interest rate swaps	**1.3**	**1.3**	**4.0**	**12.0**
Cross currency interest rate swaps (gross-settled)				
- Inflow	**(157.1)**	**(125.4)**	**(308.2)**	**(562.6)**
- Outflow	**139.2**	**107.2**	**253.9**	**399.7**
	(16.6)	**(16.9)**	**(50.3)**	**(150.9)**
Borrowings	**48.4**	**48.4**	**145.2**	**1,316.9**
	31.8	**31.5**	**94.9**	**1,166.0**
As at 31 March 2017				
Net-settled interest rate swaps	1.4	1.4	4.1	13.7
Cross currency interest rate swaps (gross-settled)				
- Inflow	(182.9)	(155.4)	(358.9)	(679.0)
- Outflow	161.1	133.8	293.6	461.7
	(20.4)	(20.2)	(61.2)	(203.6)
Borrowings	51.5	51.6	154.7	1,396.7
	31.1	31.4	93.5	1,193.1

28.6 Reconciliation of liabilities (including secured borrowings) arising from financing activities

Group - 2018	As at 1 April 2017 S$ Mil	Financing cash flows [1] S$ Mil	Non-cash changes: Acquisition of a subsidiary S$ Mil	Non-cash changes: Fair value adjustments S$ Mil	Non-cash changes: Amortisation of bond discount S$ Mil	Non-cash changes: Foreign exchange movement S$ Mil	Non-cash changes: Additions of finance lease S$ Mil	Adjustment S$ Mil	As at 31 March 2018 S$ Mil
Bonds	8,681.4	(506.2)	-	(49.7)	3.2	(304.8)	-	-	7,823.9
Bank loans	2,306.3	222.6	31.3	-	-	(58.5)	-	-	2,501.7
Finance lease liabilities	198.2	(28.3)	8.7	-	-	(0.5)	4.8	(78.3)	104.6
Derivative financial instrument on hedging liabilities	(268.4)	61.4	-	109.9	-	11.4	-	-	(85.7)
Total	10,917.5	(250.5)	40.0	60.2	3.2	(352.4)	4.8	(78.3)	10.344.5

Company - 2018	As at 1 April 2017 S$ Mil	Financing cash flows [1] S$ Mil	Non-cash changes: Fair value adjustments S$ Mil	Non-cash changes: Amortisation of bond discount S$ Mil	Non-cash changes: Foreign exchange movement S$ Mil	Adjustment S$ Mil	As at 31 March 2018 S$ Mil
Bonds	746.2	-	(30.5)	0.2	(42.7)	-	673.2
Finance lease liabilities	158.7	(4.5)	-	-	-	(78.3)	75.9
Derivative financial instrument on hedging liabilities	79.9	-	63.1	-	-	-	143.0
Total	984.8	(4.5)	32.6	0.2	(42.7)	(78.3)	892.1

Note:
[1] The cash flows comprise the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

29. BORROWINGS (SECURED)

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Current				
Finance lease	**23.1**	29.4	**7.4**	1.5
Bank loans	**-**	57.3	**-**	-
	23.1	86.7	**7.4**	1.5
Non-current				
Finance lease	**81.5**	168.8	**68.5**	157.2
Bank loans	**-**	30.8	**-**	-
	81.5	199.6	**68.5**	157.2
Total secured borrowings	**104.6**	286.3	**75.9**	158.7

Secured bank loans of the Group were repaid during the year. Finance lease liabilities included lease liabilities in respect of certain assets leased from NetLink Trust.

29.1 Finance Lease Liabilities

The minimum lease payments under the finance lease liabilities were payable as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Not later than one year	**28.8**	42.6	**11.9**	13.0
Later than one but not later than five years	**58.4**	59.3	**44.9**	47.2
Later than five years	**268.0**	601.4	**268.0**	601.4
	355.2	703.3	**324.8**	661.6
Less: Future finance charges	**(250.6)**	(505.1)	**(248.9)**	(502.9)
	104.6	198.2	**75.9**	158.7

29.2 Maturity

The maturity periods of the non-current secured borrowings at the end of the reporting period were as follows –

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Between one and two years	**18.3**	11.0	**7.9**	0.9
Between two and five years	**29.0**	33.2	**26.4**	0.9
Over five years	**34.2**	155.4	**34.2**	155.4
	81.5	199.6	**68.5**	157.2

29.3 Interest Rates

The weighted average effective interest rates per annum at the end of the reporting period were as follows -

	Group		Company	
	2018 %	2017 %	2018 %	2017 %
Finance lease liabilities	**7.2**	7.2	**7.3**	7.3
Bank loans	**-**	5.8	**-**	-

30. OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Performance share liability	**7.0**	7.0	**7.0**	7.0
Other payables	**288.1**	342.9	**24.4**	16.7
	295.1	349.9	**31.4**	23.7

Other payables mainly relate to accruals of rental for certain network sites, long-term employee entitlements and asset retirement obligations.

31. SHARE CAPITAL

Group and Company	2018 Number of shares Mil	2018 Share capital S$ Mil	2017 Number of shares Mil	2017 Share capital S$ Mil
Balance as at 1 April	**16,329.1**	**4,127.3**	15,943.5	2,634.0
Issue of shares during the year (net of costs)	**-**	**-**	385.6	1,493.3
Balance as at 31 March	**16,329.1**	**4,127.3**	16,329.1	4,127.3

Singtel issued 385,581,351 new ordinary shares to Temasek Holdings (Private) Limited to partially finance the acquisitions of shares in Intouch and BTL in November 2016.

All issued shares are fully paid and have no par value. The issued shares carry one vote per share and a right to dividends as and when declared by the Company.

Capital Management

The Group is committed to an optimal capital structure while maintaining financial flexibility and investment grade credit ratings. In order to achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

The Group monitors capital based on gross and net gearing ratios, and the dividend payout ratio ranges from 60% to 75% of underlying net profit. Underlying net profit is defined as net profit before exceptional and other one-off items.

From time to time, the Group purchases its own shares from the market. The shares purchased are primarily for delivery to employees upon vesting of performance shares awarded under Singtel performance share plans. The Group can also cancel the shares which are repurchased from the market.

There were no changes in the Group's approach to capital management during the financial year.

32. DIVIDENDS

	Group 2018 S$ Mil	Group 2017 S$ Mil	Company 2018 S$ Mil	Company 2017 S$ Mil
Final dividend of 10.7 cents (2017: 10.7 cents) per share, paid	**1,746.6**	1,705.5	**1,747.2**	1,706.0
Interim dividend of 6.8 cents (2017: 6.8 cents) per share, paid	**1,110.0**	1,110.0	**1,110.4**	1,110.4
Special dividend of 3.0 cents (2017: nil) per share, paid	**489.7**	-	**489.9**	-
	3,346.3	2,815.5	**3,347.5**	2,816.4

32. DIVIDENDS *(Cont'd)*

During the financial year, a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling S$1.75 billion was paid in respect of the previous financial year ended 31 March 2017. In addition, an interim one-tier exempt ordinary dividend of 6.8 cents per share totalling S$1.11 billion and a special one-tier exempt dividend of 3.0 cents per share totalling S$490 million were paid in respect of the current financial year ended 31 March 2018.

The amount paid by the Group differed from that paid by the Company due to dividends on performance shares held by the Trust that were eliminated on consolidation of the Trust.

The Directors have proposed a final one-tier tax exempt ordinary dividend of 10.7 cents per share, totalling approximately S$1.75 billion in respect of the current financial year ended 31 March 2018 for approval at the forthcoming Annual General Meeting.

These financial statements do not reflect the above final dividend payable of approximately S$1.75 billion, which will be accounted for in the Shareholders' Equity as an appropriation of 'Retained Earnings' in the next financial year ending 31 March 2019.

33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group classifies fair value measurements using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels -

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;

(b) inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and

(c) inputs for the asset or liability which are not based on observable market data (unobservable inputs) **(Level 3)**.

33.1 Financial assets and liabilities measured at fair value

Group 2018	**Level 1 S$ Mil**	**Level 2 S$ Mil**	**Level 3 S$ Mil**	**Total S$ Mil**
Financial assets				
AFS investments [1] (**Note 24**)				
- Quoted equity securities	**10.0**	**-**	**-**	**10.0**
- Unquoted investments	**-**	**-**	**86.1**	**86.1**
	10.0	**-**	**86.1**	**96.1**
Derivative financial instruments (**Note 25.1**)	**-**	**432.8**	**-**	**432.8**
	10.0	**432.8**	**86.1**	**528.9**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**-**	**372.2**	**-**	**372.2**
	-	**372.2**	**-**	**372.2**

33.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Group 2017	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (1) (**Note 24**)				
- Quoted equity securities	33.3	-	-	33.3
- Unquoted investments	-	-	90.3	90.3
	33.3	-	90.3	123.6
Derivative financial instruments (**Note 25.1**)	-	562.5	-	562.5
	33.3	562.5	90.3	686.1
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	-	318.9	-	318.9
	-	318.9	-	318.9

Note:
(1) Excluded AFS investments stated at cost of S$101.8 million (31 March 2017: S$69.3 million).

Company 2018	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	**5.5**	**-**	**-**	**5.5**
Derivative financial instruments (**Note 25.1**)	**-**	**204.2**	**-**	**204.2**
	5.5	**204.2**	**-**	**209.7**
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	**-**	**363.9**	**-**	**363.9**
	-	**363.9**	**-**	**363.9**

33.1 Financial assets and liabilities measured at fair value *(Cont'd)*

Company 2017	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
Financial assets				
AFS investments (**Note 24**)				
- Quoted equity securities	29.1	-	-	29.1
- Unquoted equity securities	-	-	8.3	8.3
	29.1	-	8.3	37.4
Derivative financial instruments (**Note 25.1**)	-	392.0	-	392.0
	29.1	392.0	8.3	429.4
Financial liabilities				
Derivative financial instruments (**Note 25.1**)	-	480.0	-	480.0
	-	480.0	-	480.0

See **Note 2.7** for the policies on fair value estimation of the financial assets and liabilities.

The fair values of the unquoted AFS investments included within Level 3 were estimated using the net asset values as reported in the statements of financial position in the management accounts of the AFS investments or the use of recent arm's length transactions.

The following table presents the reconciliation for the unquoted AFS investments measured at fair value based on unobservable inputs (**Level 3**) -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
AFS investments - unquoted				
Balance as at 1 April	**90.3**	42.9	**8.3**	7.7
Total (losses)/ gains included in 'Fair Value Reserve'	**(6.1)**	15.5	**0.3**	0.6
Additions	**6.2**	20.7	**-**	-
Write-back of impairment	**-**	1.5	**-**	-
Disposals	**(16.5)**	(2.4)	**(8.6)**	-
Transfer from Level 3	**-**	(0.9)	**-**	-
Transfer to Level 3	**12.2**	13.0	**-**	-
Balance as at 31 March	**86.1**	90.3	**-**	8.3

33.2 Financial assets and liabilities not measured at fair value (but with fair value disclosed)

	Carrying Value	Fair value			
	S$ Mil	Level 1 S$ Mil	Level 2 S$ Mil	Level 3 S$ Mil	Total S$ Mil
As at 31 March 2018					
Financial liabilities					
Group					
Bonds (**Note 28.1**)	**7,823.9**	**5,459.8**	**2,680.4**	**-**	**8,140.2**
Company					
Bonds (**Note 28.1**)	**673.2**	**879.1**	**-**	**-**	**879.1**
As at 31 March 2017					
Financial liabilities					
Group					
Bonds (**Note 28.1**)	8,681.4	6,722.9	2,402.9	-	9,125.8
Company					
Bonds (**Note 28.1**)	746.2	957.0	-	-	957.0

See **Note 2.7** on the basis of estimating the fair values and **Note 25** for information on the derivative financial instruments used for hedging the risks associated with the borrowings.

Except as disclosed in the above tables, the carrying values of other financial assets and liabilities approximate their fair values.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

34.1 Financial Risk Factors

The Group's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. The Group's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors assume responsibility for the overall financial risk management of the Group. For the financial year ended 31 March 2018, the Risk Committee and Finance and Investment Committee ("**FIC**"), which are committees of the Board, assisted the Directors in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors.

34.2 Foreign Exchange Risk

The foreign exchange risk of the Group arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and United States of America. Additionally, the Group's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 14 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

The Group Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. The Group generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce the Group's transactional exposure to foreign currency exchange rate fluctuations. The foreign exchange difference on trade balances is disclosed under **Note 6** and the foreign exchange difference on non-trade balances is disclosed under **Note 10**.

34.3 Interest Rate Risk

The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

The Group's borrowings include bank borrowings and bonds. The borrowings expose the Group to interest rate risk. The Group seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail the Group agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2018, after taking into account the effect of interest rate swaps, approximately 67% (31 March 2017: 70%) of the Group's borrowings were at fixed rates of interest.

As at 31 March 2018, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by S$15.5 million (2017: S$13.5 million).

34.4 Credit Risk

Financial assets that potentially subject the Group to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

The Group places its cash and cash equivalents with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. The Group has policies that limit the financial exposure to any one financial institution.

34.5 Liquidity Risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available to ensure that the Group is able to meet the short-term obligations of the Group as they fall due.

34.6 Market Risk

The Group has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

35. SEGMENT INFORMATION

Segment information is presented based on the information reviewed by senior management for performance measurement and resource allocation.

Singtel Group is organised by three business segments, Group Consumer, Group Enterprise and Group Digital Life.

Group Consumer comprises the consumer businesses across Singapore and Australia, as well as the Group's investments, mainly AIS and Intouch (which has an equity interest of 40.5% in AIS) in Thailand, Airtel in India, Africa and Sri Lanka, Globe in the Philippines, and Telkomsel in Indonesia. It focuses on driving greater value and performance from the core carriage business including mobile, pay TV, fixed broadband and voice, as well as equipment sales.

Group Enterprise comprises the business groups across Singapore, Australia, United States of America, Europe and the region, and focuses on growing the Group's position in the enterprise markets. Key services include mobile, equipment sales, fixed voice and data, managed services, cloud computing, cyber security, IT and professional consulting.

Group Digital Life ("**GDL**") focuses on using the latest internet technologies and assets of the Group's operating companies to develop new revenue and growth engines by entering adjacent businesses where it has a competitive advantage. It focuses on three key businesses in digital life – digital marketing (Amobee), regional premium over-the-top video (HOOQ) and advanced analytics and intelligence capabilities (DataSpark), in addition to strengthening its role as Singtel's digital innovation engine through Innov8.

Corporate comprises the costs of Group functions not allocated to the business segments.

35. SEGMENT INFORMATION *(Cont'd)*

The measurement of segment results which is before exceptional items, is in line with the basis of information presented to management for internal management reporting purposes.

The costs of shared and common infrastructure are allocated to the business segments using established methodologies.

The Group's reportable segments by the three business segments for the financial years ended 31 March 2018 and 31 March 2017 were as follows –

Group - 2018	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	9,826.1	6,625.4	1,080.3	-	17,531.8
Operating expenses	(6,663.8)	(4,814.3)	(1,133.4)	(90.0)	(12,701.5)
Other income	206.9	44.8	1.8	5.3	258.8
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,369.2	1,855.9	(51.3)	(84.7)	5,089.1
Share of pre-tax results of associates and joint ventures					
- Airtel	199.3	-	-	-	199.3
- Telkomsel	1,372.4	-	-	-	1,372.4
- Globe	289.1	-	-	-	289.1
- AIS	347.4	-	-	-	347.4
- Intouch	103.0	-	-	-	103.0
- Others	0.9	-	-	148.7	149.6
	2,312.1	-	-	148.7	2,460.8
EBITDA and share of pre-tax results of associates and joint ventures	5,681.3	1,855.9	(51.3)	64.0	7,549.9
Depreciation and amortisation	(1,633.3)	(636.5)	(69.1)	(1.2)	(2,340.1)
Earnings before interest and tax ("EBIT")	4,048.0	1,219.4	(120.4)	62.8	5,209.8
Segment assets					
Investment in associates and joint ventures					
- Airtel	7,453.1	-	-	-	7,453.1
- Telkomsel	3,419.8	-	-	-	3,419.8
- Globe	1,060.0	-	-	-	1,060.0
- AIS	762.5	-	-	-	762.5
- Intouch	1,636.4	-	-	-	1,636.4
- Others	23.6	-	-	432.7	456.3
	14,355.4	-	-	432.7	14,788.1
Goodwill on acquisition of subsidiaries	9,192.9	1,167.5	1,011.8	-	11,372.2
Other assets	13,200.9	5,713.9	729.8	2,448.8	22,093.4
	36,749.2	6,881.4	1,741.6	2,881.5	48,253.7

35. SEGMENT INFORMATION *(Cont'd)*

Group - 2017	Group Consumer S$ Mil	Group Enterprise S$ Mil	Group Digital Life S$ Mil	Corporate S$ Mil	Group Total S$ Mil
Operating revenue	9,572.0	6,600.3	539.1	-	16,711.4
Operating expenses	(6,453.3)	(4,732.0)	(652.6)	(91.1)	(11,929.0)
Other income/ (expense)	176.2	45.0	(8.7)	2.8	215.3
EBITDA	3,294.9	1,913.3	(122.2)	(88.3)	4,997.7
Share of pre-tax results of associates and joint ventures					
- Airtel	579.9	-	-	-	579.9
- Telkomsel	1,422.0	-	-	-	1,422.0
- Globe	288.0	-	-	-	288.0
- AIS [(1)]	333.4	-	-	-	333.4
- Intouch	31.3	-	-	-	31.3
- Others	1.2	-	-	230.0	231.2
	2,655.8	-	-	230.0	2,885.8
EBITDA and share of pre-tax results of associates and joint ventures [(1)]	5,950.7	1,913.3	(122.2)	141.7	7,883.5
Depreciation and amortisation	(1,524.4)	(644.9)	(68.1)	(1.5)	(2,238.9)
EBIT [(1)]	4,426.3	1,268.4	(190.3)	140.2	5,644.6
Segment assets					
Investment in associates and joint ventures					
- Airtel	6,847.0	-	-	-	6,847.0
- Telkomsel	3,606.2	-	-	-	3,606.2
- Globe	1,085.4	-	-	-	1,085.4
- AIS	646.4	-	-	-	646.4
- Intouch	1,577.2	-	-	-	1,577.2
- Others	25.2	-	-	447.7	472.9
	13,787.4	-	-	447.7	14,235.1
Goodwill on acquisition of subsidiaries	9,193.4	1,241.4	729.8	-	11,164.6
Other assets	12,590.8	5,637.4	602.5	4,063.8	22,894.5
	35,571.6	6,878.8	1,332.3	4,511.5	48,294.2

35. SEGMENT INFORMATION *(Cont'd)*

A reconciliation of the total reportable segments' EBIT to the Group's profit before tax was as follows -

	Group	
	2018 S$ Mil	**2017 S$ Mil**
EBIT [1]	**5,209.8**	5,644.6
Share of exceptional items of associates and joint ventures (post-tax) [1]	**(34.0)**	(30.7)
Share of tax expense of associates and joint ventures [1]	**(640.1)**	(837.8)
Exceptional items	**1,940.4**	(1.2)
Profit before interest, investment income (net) and tax	**6,476.1**	4,774.9
Interest and investment income (net)	**45.6**	114.8
Finance costs	**(390.2)**	(374.3)
Profit before tax	**6,131.5**	4,515.4

Note:

[1] AIS' 3G/4G handset subsidy costs in the previous financial year has been reclassified from share of exceptional items of joint ventures to share of pre-tax results of joint ventures to be consistent with current year.

The Group's revenue from its major products and services are disclosed in **Note 4.**

The Group's revenue is mainly derived from Singapore and Australia which respectively accounted for approximately 38% (2017: 40%) and 52% (2017: 53%) of the total revenue for the financial year ended 31 March 2018, with the remaining 10% (2017: 7%) from the United States of America and other countries where the Group operates in. The geographical information on the Group's non-current assets is not presented as it is not used for segmental reporting purposes.

The Group has a large and diversified customer base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 31 March 2018 and 31 March 2017.

36. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, were as follows -

	Group		Company	
	2018 S$ Mil	**2017 S$ Mil**	**2018 S$ Mil**	**2017 S$ Mil**
Not later than one year	**420.3**	468.8	**103.6**	103.3
Later than one but not later than five years	**1,545.1**	1,573.2	**332.7**	306.2
Later than five years	**1,385.1**	1,623.5	**281.4**	358.5
	3,350.5	3,665.5	**717.7**	768.0

36. OPERATING LEASE COMMITMENTS *(Cont'd)*

Sale and operating leaseback contracts were entered into for certain property, plant and equipment for a period of 20 years commencing on 2 March 2005 and 1 November 2010. The above commitments included the minimum amounts payable of S$43.4 million (31 March 2017: S$42.6 million) per annum under those contracts. The operating lease payments under such contracts are subject to review every year with a general increase not exceeding the higher of 2% or Consumer Price Index percentage of the preceding year.

37. COMMITMENTS

37.1 The commitments for capital and operating expenditures, and investments which had not been recognised in the financial statements, excluding the commitments shown under **Note 37.2**, were as follows -

	Group		Company	
	2018 S$ Mil	2017 S$ Mil	2018 S$ Mil	2017 S$ Mil
Authorised and contracted for	**865.3**	1,767.7	**87.5**	152.9

37.2 As at 31 March 2018, the Group's commitments for the purchase of broadcasting programme rights were S$693 million (31 March 2017: S$936 million). The commitments included only the minimum guaranteed amounts payable under the respective contracts and do not include amounts that may be payable based on revenue share arrangement which cannot be reliably determined as at the end of the reporting period.

38. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES

(a) **Guarantees**

As at 31 March 2018,

(i) The Group and Company provided bankers' and other guarantees, and insurance bonds of S$570.4 million and S$146.4 million (31 March 2017: S$437.5 million and S$268.1 million) respectively.

(ii) The Company provided guarantees for loans of S$1.18 billion (31 March 2017: S$1.16 billion) drawn down under various loan facilities entered into by Singtel Group Treasury Pte. Ltd. ("**SGT**"), a wholly owned subsidiary, with maturities between December 2018 and May 2020.

(iii) The Company provided guarantees for SGT's notes issue of an aggregate equivalent amount of S$4.04 billion (31 March 2017: S$4.92 billion) due between April 2018 and October 2026.

(b) In 2016 and 2017, Singapore Telecom Australia Investments Pty Limited ("**STAI**") received amended assessments from the Australian Taxation Office ("**ATO**") in connection with the acquisition financing of Optus. The assessments comprised of primary tax of A$268 million, interest of A$58 million and penalties of A$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to refund of withholding tax estimated at A$89 million.

STAI has objected to the amended assessments.

38. CONTINGENT LIABILITIES OF SINGTEL AND ITS SUBSIDIARIES *(Cont'd)*

In accordance with the ATO administrative practice, STAI paid a minimum amount of 50% of the assessed primary tax on 21 November 2016. This payment continued to be recognised as a receivable as at 31 March 2018.

STAI has received advice from external experts in relation to this matter and will vigorously defend its position. Accordingly, no provision has been made as at 31 March 2018.

On 2 November 2017, STAI received a tax position paper from the ATO in relation to the subsequent re-financing of the above loan. This matter is now settled at an agreed amount.

(c) The Group is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. The Group is vigorously defending all these claims.

39. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES

(a) Airtel, a joint venture of the Group, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("**DOT**") issued a demand on Airtel Group for Rs. 52.01 billion (S$1.05 billion) towards levy of one time spectrum charge.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licences issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised

As at 31 March 2018, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs.126 billion (S$2.54 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

(b) AIS, a joint venture of the Group, has various commercial disputes and significant litigations.

In 2008, CAT Telecom Public Company Limited ("**CAT**") demanded that AIS' subsidiary, Digital Phone Company Limited ("**DPC**") pay additional revenue share of THB 3.4 billion (S$143 million) arising from the abolishment of excise tax. CAT's claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT Public Company Limited ("**TOT**") demanded that AIS pays additional revenue share of THB 62.8 billion (S$2.64 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

39. SIGNIFICANT CONTINGENT LIABILITIES OF ASSOCIATE AND JOINT VENTURES *(Cont'd)*

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion (S$1.52 billion) plus interest. The claims are pending arbitration.

Between 2014 and 2016, TOT demanded that AIS pays THB 41.1 billion (S$1.73 billion) plus interest for the porting of subscribers from 900 MHz to 2100 MHz network. This case is pending arbitration.

In March 2018, CAT demanded DPC to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion (S$564 million) or to pay the same amount plus interest. This case is pending arbitration.

As at 31 March 2018, there are a number of other claims against AIS and its subsidiaries amounting to THB 28.3 billion (S$1.19 billion) which are pending adjudication.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

(c) In October 2017, Intouch and its subsidiary, Thaicom Public Company Limited ("**Thaicom**") received letters from the Ministry of Digital Economy and Society (the "**Ministry**") stating that Thaicom 7 and Thaicom 8 satellites (the "**Satellites**") are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the Agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.

(d) Globe, a joint venture of the Group, is contingently liable for various claims arising in the ordinary conduct of business and certain tax assessments which are either pending decision by the Courts or are being contested, the outcome of which are not presently determinable. In the opinion of Globe's management and legal counsel, the eventual liability under these claims, if any, will not have a material or adverse effect on Globe's financial position and results of operations.

In June 2016, the Philippine Competition Commission ("**PCC**") claimed that the Joint Notice of Acquisition filed by Globe, PLDT Inc. ("**PLDT**") and San Miguel Corporation ("**SMC**") on the acquisition of SMC's telecommunications business was deficient and cannot be claimed to be deemed approved. In July 2016, Globe filed a petition with the Court of Appeals of the Philippines ("**CA**") to stop the PCC from reviewing the acquisition. In October 2017, the CA ruled in favour of Globe and PLDT, and declared the acquisition as valid and deemed approved. PCC subsequently elevated the case to the Supreme Court to review the CA's rulings.

(e) As at 31 March 2018, Telkomsel, a joint venture of the Group, has filed appeals and cross-appeals amounting to approximately IDR 180 billion (S$17 million) for various tax claims arising in certain tax assessments which are pending final decisions, the outcome of which is not presently determinable.

40. SUBSEQUENT EVENT

In April 2018, the Group completed the sale of a property for S$118 million.

41. EFFECTS OF ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

With effect from financial year beginning on 1 April 2018, the Group has adopted Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), SFRS(I) 9, *Financial Instruments*, and SFRS(I) 15, *Revenue from Contracts with Customers*. The new accounting framework and standards will be retrospectively applied to the financial statements for the financial year ended 31 March 2018 and the opening statement of financial position as at 1 April 2017.

SFRS(I) are identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). An assessment of the transition options and requirements on application of SFRS(I) 1, *First-time adoption of International Financial Reporting Standards*, has been performed. The Group expects the adoption of the new accounting framework to have the following effects arising from the transition options:

(a) The currency translation loss of the Group as at 1 April 2017 of S$4.51 billion will be transferred to retained earnings. Consequently, retained earnings as at 1 April 2017 will correspondingly be lower by S$4.51 billion.

(b) The assets and retained earnings of the Group may be lower with the adoption of fair value as the 'deemed cost' as at 1 April 2017 for certain property, plant and equipment.

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets and financial liabilities, general hedge accounting and impairment requirements for financial assets. Equity investments currently accounted as Available-For-Sale ("**AFS**") investments will be accounted as 'Fair Value through Other Comprehensive Income ("**FVOCI**")' investments. Companies can choose to recognise either 12-month or lifetime expected credit losses for its trade receivables and contract assets. The Group plans to recognise lifetime expected credit losses given the short duration of its debts.

SFRS(I) 15 establishes a single comprehensive model of accounting for revenue arising from contracts with customers. The standard requires companies to apportion revenue earned from contracts to performance obligations based on a five-step model on a relative standalone selling price basis. It also introduces new contract cost guidance and requires certain additional disclosures. The adoption of SFRS(I) 15 will have the following key effects at the consolidated level:

(a) An increase in revenue allocated to sales of equipment, which are fair valued at standalone selling price, and a reduction in mobile service revenue over the customer contract period.

(b) Cost of sales will be higher and mobile customer acquisition cost will be lower.

(c) Customer acquisition cost such as dealers' commission will be capitalised and amortised in the income statement as the Group recognises the related revenue.

(d) Contract assets will be higher from allocation of revenue to sales of equipment. Contract asset represents the difference between the revenue recognised and the upfront cash consideration received from customers.

41. EFFECTS OF ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED *(Cont'd)*

The adoption of SFRS(I) 9 and SFRS(I) 15 are not expected to have a material impact on the net results of the Group.

SFRS(I) 16, *Leases*, will take effect from financial year beginning on 1 April 2019. This standard requires lessees to adopt a single lease accounting model with most leases recognised in balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments. Recognition exemptions for low value assets and short term leases can be applied. The standard continues to adopt dual accounting lease model for lessor accounting. The Group plans to apply SFRS(I) 16 prospectively with the cumulative effect of initial application as an adjustment to the opening retained earnings as at 1 April 2019. The Group is currently in the process of assessing the impact of adoption of this standard, which is expected to be significant.

The other new or revised standards issued but not yet effective are not expected to have a significant impact on the financial statements of the Group.

42. COMPANIES IN THE GROUP

The Company's immediate and ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore. The following were the significant subsidiaries as well as associates and joint ventures as at 31 March 2018 and 31 March 2017.

42.1 Significant subsidiaries incorporated in Singapore

			Percentage of effective equity interest held by the Group	
	Name of subsidiary	Principal activities	2018 %	2017 %
1.	Amobee Asia Pte. Ltd.	Provision of digital marketing services	**100**	100
2.	DataSpark Pte. Ltd.	Develop and market data analytics and insights products and services	**100**	100
3.	Group Enterprise Pte. Ltd.	Telecommunications resellers and third party telecommunications providers	**100**	100
4.	HOOQ Digital Pte. Ltd.	Provision of regional premium over-the-top video services	**65**	65
5.	NCS Communications Engineering Pte. Ltd.	Provision of facilities management and consultancy services, and distributor of specialised telecommunications and data communication products	**100**	100
6.	NCS Pte. Ltd.	Provision of information technology and consultancy services	**100**	100
7.	NCSI Solutions Pte. Ltd.	Provision of information technology services	**100**	100
8.	SCS Computer Systems Pte. Ltd.	Provision of information technology services	**100**	100
9.	Singapore Telecom International Pte Ltd	Holding of strategic investments and provision of technical and management consultancy services	**100**	100
10.	SingNet Pte Ltd	Provision of internet access and pay television services	**100**	100
11.	Singtel Innov8 Ventures Pte. Ltd.	Provision of fund management services	**100**	100

42.1 Significant subsidiaries incorporated in Singapore *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2018 %	2017 %
12.	Singtel Mobile Singapore Pte. Ltd.	Operation and provision of cellular mobile telecommunications systems and services, and sale of telecommunications equipment	**100**	100
13.	ST-2 Satellite Ventures Private Limited	Provision of satellite capacity for telecommunications and video broadcasting services	**61.9**	61.9
14.	Sembawang Cable Depot Pte Ltd	Provision of storage facilities for submarine telecommunication cables and related equipment	**60**	60
15.	Singtel Digital Media Pte Ltd	Development and management of on-line internet portal	**100**	100
16.	SingtelSat Pte Ltd	Provision of satellite capacity for telecommunications and video broadcasting services	**100**	100
17.	Telecom Equipment Pte Ltd	Engaged in the sale and maintenance of telecommunications equipment, and mobile finance services	**100**	100
18.	Trustwave Pte. Ltd.	Provision of information security services and products	**98**	98

All companies are audited by Deloitte & Touche LLP.

Notes to the Financial Statements

For the financial year ended 31 March 2018

42.2 Significant subsidiaries incorporated in Australia

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	Amobee ANZ Pty Ltd	Provision of digital marketing services	**100**	100
2.	Alphawest Services Pty Ltd (1)	Provision of information technology services	**100**	100
3.	Ensyst Pty Limited	Provision of cloud services	**100**	100
4.	NCSI (Australia) Pty Limited	Provision of information technology services	**100**	100
5.	Optus Administration Pty Limited (1)	Provision of management services to the Optus Group	**100**	100
6.	Optus ADSL Pty Limited (1)	Provision of carriage services	**100**	100
7.	Optus Billing Services Pty Limited (*) (1)	Provision of billing services to the Optus Group	**100**	100
8.	Optus C1 Satellite Pty Limited (1)	C1 Satellite contracting party	**100**	100
9.	Optus Content Pty Limited (1)	Provision of digital content acquisition	**100**	100
10.	Optus Data Centres Pty Limited (1)	Provision of data communication services	**100**	100
11.	Optus Fixed Infrastructure Pty Limited (1)	Provision of telecommunications services	**100**	100
12.	Optus Insurance Services Pty Limited	Provision of handset insurance and related services	**100**	100
13.	Optus Internet Pty Limited (1)	Provision of services over Hybrid Fibre Co-Axial network and National Broadband Network	**100**	100
14.	Optus Mobile Pty Limited (1)	Provision of mobile phone services	**100**	100
15.	Optus Networks Pty Limited (1)	Provision of telecommunications services	**100**	100

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42.2 Significant subsidiaries incorporated in Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Percentage of effective equity interest held by the Group 2018 %	2017 %
16.	Optus Satellite Pty Limited (1)	Provision of satellite services to customers	**100**	100
17.	Optus Systems Pty Limited (1)	Provision of information technology services to the Optus Group	**100**	100
18.	Optus Vision Media Pty Limited (*) (2)	Provision of broadcasting related services	**20**	20
19.	Optus Vision Pty Limited (1)	Provision of telecommunications services	**100**	100
20.	Optus Wholesale Pty Limited (1)	Provision of services to wholesale customers	**100**	100
21.	Prepaid Services Pty Limited (1)	Distribution of prepaid mobile products	**100**	100
22.	Reef Networks Pty Ltd (1)	Operation and maintenance of fibre optic network between Brisbane and Cairns	**100**	100
23.	TWH Australia Pty. Ltd.	Provision of information security services and products	**98**	98
24.	Uecomm Operations Pty Limited (1)	Provision of data communication services	**100**	100
25.	Virgin Mobile (Australia) Pty Limited (1)	Provision of mobile phone services	**100**	100
26.	Vividwireless Group Limited (1)	Provision of wireless broadband services	**100**	100

All companies are audited by Deloitte Touche Tohmatsu, Australia, except for those companies denoted (*) where no statutory audit is required.

Notes:

(1) These entities are relieved from the Australian Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports pursuant to ASIC Class Order 2016/785 (as amended) dated 30 March 2007.

(2) Optus Vision Media Pty Limited is deemed to be a subsidiary by virtue of control.

42.3 Significant subsidiaries incorporated outside Singapore and Australia

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	Amobee EMEA Limited	Provision of digital marketing services	United Kingdom	**100**	100
2.	Amobee, Inc.	Provision of digital marketing services	USA	**100**	100
3.	Amobee Ltd	Research and development centre	Israel	**100**	100
4.	Breach Security, Ltd.	Provision of information security services and products	Israel	**98**	98
5.	GB21 (Hong Kong) Limited	Provision of telecommunications services and products	Hong Kong	**100**	100
6.	Global Enterprise International Malaysia Sdn. Bhd.	Provision of data communication and value added network services	Malaysia	**100**	100
7.	HOOQ Digital (India) Private Limited	Provision of over-the-top video services and related activities and services	India	**65**	65
8.	HOOQ Digital Mauritius Private Limited	Content operations and procurement	Mauritius	**65**	65
9.	HOOQ Digital (Philippines) Inc.	Provision of market research, sales and marketing support services	Philippines	**65**	65
10.	HOOQ Digital (Thailand) Company Limited	Provision of market research, sales and marketing support services	Thailand	**65**	65
11.	Lanka Communication Services (Pvt) Limited	Provision of telecommunications services	Sri Lanka	**82.9**	82.9
12.	M86 Security International, Ltd.	Provision of information security services and products	United Kingdom	**98**	98

42.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
13.	M86 Security Israel, Ltd.	Provision of information security services and products	Israel	**98**	98
14.	NCS Information Technology (Suzhou) Co., Ltd. (2)	Software development and provision of information technology services	People's Republic of China	**100**	100
15.	NCSI (Chengdu) Co., Ltd (2)	Provision of information technology research and development, and other information technology related services	People's Republic of China	**100**	100
16.	NCSI (HK) Limited	Provision of information technology services	Hong Kong	**100**	100
17.	NCSI (Malaysia) Sdn Bhd	Provision of information technology services	Malaysia	**100**	100
18.	NCSI (Philippines) Inc.	Provision of information technology and communication engineering services	Philippines	**100**	100
19.	NCSI (Shanghai), Co. Ltd (2)	Provision of system integration, software research and development and other information technology related services	People's Republic of China	**100**	100
20.	SCS Information Technology Sdn Bhd	Consultancy, sale of computer equipment and software including provision of marketing, maintenance and other related services	Brunei	**100**	100
21.	Singtel Global Private Limited	Provision of infotainment products and services, and investment holding	Mauritius	**100**	100

42.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
22.	Singtel Global India Private Limited	Provision of telecommunications services and all related activities	India	**100**	100
23.	Singtel Innov8 Ventures LLC	Provision of investment consulting services	USA	**100**	100
24.	Singapore Telecom Hong Kong Limited	Provision of telecommunications services and all related activities	Hong Kong	**100**	100
25.	Singapore Telecom Japan Co Ltd	Provision of telecommunications services and all related activities	Japan	**100**	100
26.	Singapore Telecom Korea Limited	Provision of telecommunications services and all related activities	South Korea	**100**	100
27.	Singapore Telecom USA, Inc.	Provision of telecommunications, engineering and marketing services	USA	**100**	100
28.	Singtel (Europe) Limited	Provision of telecommunications services and all related activities	United Kingdom	**100**	100
29.	Singtel Taiwan Limited	Provision of telecommunications services and all related activities	Taiwan	**100**	100
30.	STI Solutions (Shanghai) Co., Ltd	Provision of telecommunications services and all related activities	People's Republic of China	**100**	100
31.	Sudong Sdn. Bhd.	Management, provision and operations of a call centre for telecommunications services	Malaysia	**100**	100
32.	Trustwave Canada, Inc.	Provision of information security services and products	Canada	**98**	98
33.	Trustwave Government Solutions, LLC	Provision of information security services and products	USA	**98**	98

42.3 Significant subsidiaries incorporated outside Singapore and Australia *(Cont'd)*

	Name of subsidiary	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
34.	Trustwave Holdings, Inc.	Provision of information security services and products	USA	**98**	98
35.	Trustwave Limited	Provision of information security services and products	United Kingdom	**98**	98
36.	Trustwave SecureConnect Inc.	Provision of information security services and products	USA	**98**	98
37.	Turn Europe (UK) Limited	Provision of digital marketing services	United Kingdom	**100**	-
38.	Turn Inc.	Provision of digital marketing services	USA	**100**	-

All companies are audited by a member firm of Deloitte Touche Tohmatsu Limited.

Notes:

(1) The place of the business of the subsidiaries are the same as their country of incorporation, unless otherwise specified.

(2) Subsidiary's financial year-end is 31 December.

42.4 Associates of the Group

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	2359 Media Pte. Ltd.	Development and design of mobile-based advertising	Singapore	**28.6**	28.6
2.	APT Satellite Holdings Limited (2)	Investment holding	Bermuda	**20.3**	20.3
3.	APT Satellite International Company Limited (2)	Investment holding	British Virgin Islands	**28.6**	28.6
4.	HOPE Technik Pte Ltd	Provision of high performance engineering solutions	Singapore	**21.3**	21.3
5.	IGA Limited	Provision of online digital advertising platform	Cayman Islands	**22.1**	22.1
6.	Intouch Holdings Public Company Limited (3)	Investment holding	Thailand	**21.0**	21.0
7.	Kai Square	Provision of next generation cloud-based video surveillance services, monitoring and analytics	Singapore	**39.2**	39.2
8.	MassiveImpact International Ltd	Provision of performance based mobile advertising platform	British Virgin Islands	**48.9**	48.9
9.	NetLink Trust (4)	To own, install, operate and maintain the passive infrastructure for Singapore's Next Generation Nationwide Broadband Network	Singapore	**24.8**	100.0
10.	NetLink NBN Trust (4)	Investment holding	Singapore	**24.8**	-
11.	Sentilla Corporation	Provision of energy management services for data centres	USA	**31.0**	31.0

42.4 Associates of the Group *(Cont'd)*

	Name of associate	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
12.	Singapore Post Limited [5]	Operation and provision of postal, eCommerce logistics and retail services	Singapore	**21.7**	21.7
13.	Viewers Choice Pte Ltd	Provision of services relating to motor vehicle rental and retail of general merchandise	Singapore	**49.2**	49.2

Notes:

[1] The place of business of the associates are the same as their country of incorporation.

[2] The company has been equity accounted for in the consolidated financial statements based on results ended, or as at, 31 December 2017, the financial year-end of the company.

[3] Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

[4] Audited by Deloitte & Touche LLP, Singapore. Singtel ceased to own units in NetLink Trust following the sale to NetLink NBN Trust in July 2017 but continues to have an interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. NetLink NBN Trust is regarded as an associate as Singtel does not have effective control in the trust.

[5] Audited by Deloitte & Touche LLP, Singapore.

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42.5 Joint ventures of the Group

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
1.	Acasia Communications Sdn Bhd (3)	Provision of networking services to business customers operating within and outside Malaysia	Malaysia	**14.3**	14.3
2.	ACPL Marine Pte Ltd	To own, operate and manage maintenance-cum-laying cableships	Singapore	**16.7**	41.7
3.	Advanced Info Service Public Company Limited (4) (5)	Provision of mobile, broadband, international telecommunications services, call centre and data transmission	Thailand	**23.3**	23.3
4.	ASEAN Cableship Pte Ltd	Operation of cableships for laying, repair and maintenance of submarine telecommunication cables	Singapore	**16.7**	16.7
5.	ASEAN Telecom Holdings Sdn Bhd (3)	Investment holding	Malaysia	**14.3**	14.3
6.	Asiacom Philippines, Inc. (3)	Investment holding	Philippines	**40.0**	40.0
7.	Bharti Airtel Limited (6)	Provision of mobile, long distance, broadband and telephony telecommunications services, enterprise solutions, pay television and passive infrastructure	India	**39.5**	36.5
8.	Bharti Telecom Limited (6)	Investment holding	India	**48.9**	47.2
9.	Bridge Mobile Pte. Ltd.	Provision of regional mobile services	Singapore	**34.5**	34.2

42.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
10.	Globe Telecom, Inc. [7] [8]	Provision of mobile, broadband, international and fixed line telecommunications services	Philippines	**21.5**	21.5
11.	Grid Communications Pte. Ltd. [3]	Provision of public trunk radio services	Singapore	**50.0**	50.0
12.	Indian Ocean Cableship Pte. Ltd.	Leasing, operating and managing of maintenance-cum-laying cableship	Singapore	**50.0**	50.0
13.	International Cableship Pte Ltd	Ownership and chartering of cableships	Singapore	**45.0**	45.0
14.	Main Event Television Pty Limited	Provision of cable television programmes	Australia	**33.3**	33.3
15.	Pacific Bangladesh Telecom Limited	Provision of mobile telecommunications, broadband and data transmission services	Bangladesh	**45.0**	45.0
16.	Pacific Carriage Holdings Limited [9]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99
17.	PT Telekomunikasi Selular [10]	Provision of mobile telecommunications and related services	Indonesia	**35.0**	35.0
18.	Radiance Communications Pte Ltd [3]	Sale, distribution, installation and maintenance of telecommunications equipment	Singapore	**50.0**	50.0
19.	Southern Cross Cables Holdings Limited [9] [11]	Operation and provision of telecommunications facilities and services utilising a network of submarine cable systems	Bermuda	**39.99**	39.99

42.5 Joint ventures of the Group *(Cont'd)*

	Name of joint venture	Principal activities	Country of incorporation/ operation	Percentage of effective equity interest held by the Group 2018 %	2017 %
20.	Telescience Singapore Pte Ltd	Sale, distribution and installation of telecommunications and information technology equipment and services	Singapore	**50.0**	50.0
21.	VA Dynamics Sdn. Bhd. (3)	Distribution of networking cables and related products	Malaysia	**49.0**	49.0

Notes:

(1) The place of business of the joint ventures are the same as their country of incorporation, unless otherwise specified.

(2) The Group holds substantive participating rights over the significant financial and operating decisions of the above joint ventures, which enables the Group to exercise joint control with the other shareholders.

(3) The company has been equity accounted for in the consolidated financial statements based on the results ended, or as at, 31 December 2017, the financial year-end of the company.

(4) Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd, Bangkok.

(5) This represents the Group's direct interest in AIS.

(6) Audited by Deloitte Haskins & Sells LLP, New Delhi. The company has operations in India, Sri Lanka, and 14 countries across Africa.

(7) Audited by Navarro Amper & Co. (a member firm of Deloitte Touche Tohmatsu Limited).

(8) The Group has a 47.1% effective economic interest in Globe.

(9) The Southern Cross Cable Consortium operates through two separate companies. Southern Cross Cables Holdings Limited owns a cable network between Australia and the USA, with operations outside the USA. Pacific Carriage Holdings Limited has operations within the USA.

(10) Audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young).

(11) Audited by KPMG, Bermuda.